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DIRECTORS' REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting their Tenth Annual Report together with the audited Financial Statements of your Company for the Financial Year ended March 31, 2017.

Performance of the Company

Your Company is yet to commence operations. During the year under review, the Company has incurred loss of Rs. 140,317/-.

Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs (MCA), vide its notification dated February 16, 2015, notified the India Accounting Standards (Ind AS) applicable to certain classes of companies. Ind AS has replaced the existing Indian Generally Accepted Accounting Policies prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. In compliance with the aforesaid notification, the Company has adopted Ind AS with effect from April 1, 2016 and the Financial Statements have been prepared in accordance with the principles laid down therein. Further, the corresponding figures for the period ending March 31, 2016 have also been presented in compliance with the provisions of Ind AS.

Dividend

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

Transfer to Reserves

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

Holding Company

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

Auditors' Report:

There are no reservations, qualifications or adverse remarks contained in the Auditors' Report attached to the Financial Statements for the year ended March 31, 2017. Information referred in Auditors' Report are self-explanatory and do not call for any further comments.

Extract of the annual return

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

Board of Directors

As on the date of this report, your Company has 3 (three) Non-Executive Directors.

Appointment of Directors

The Board of Directors has approved the appointment of Mrs. Akhila Balachandar and Mr. Jaiminikumar Shah as the

Additional Directors of the Company with effect from January 30, 2017 and April 20, 2017 respectively. Mrs. Akhila Balachandar and Mr. Jaiminikumar Shah holds office as the Additional Directors upto the date of the ensuing Annual General Meeting of the Company. Your Company has received a Notices from a member under Section 160 of the Act, proposing them as a candidate to hold the office of a Director. The Board recommends appointment of Mrs. Akhila Balachandar and Mr. Jaiminikumar Shah to the members for their approval.

Resignation of Directors

Mr. Dinesh Shetty and Mr. Ajay Agrawal resigned as the Director of the Company w.e.f. the close of the business hours of January 30, 2017 and April 20, 2017 respectively. The Board places on record the valuable contribution made by them during their tenure as a Director of the Company.

Retirement by Rotation of Director

Pursuant to Section 152(6) of the Act and Articles of Association of the Company Mr. Ravindera Nath Khanna retires by rotation, who had been longest in the office and being eligible, offers himself for re-appointment.

Key Managerial Personnel

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

Number of meetings of the Board of Directors and Attendance

During the year under review, the Board met four times on: May 13, 2016, July 28, 2016, October 27, 2016 and January 30, 2017. The gap between two Meetings did not exceed one hundred and twenty (120) days. The details of attendance of Directors at the Meetings are given below:

Name of Director	No. of Meetings held	No. of Meetings attended
Dinesh Shetty	4	3
Ajay Agarwal	4	4
Ravindera Nath Khanna	4	2
Akhila Balachandar*	Nil	Nil
Jaiminikumar Shah#	NA	NA

* Appointed on the Board of the Company w.e.f January 30, 2017 and no meeting was held post her appointment.

Appointed on the Board of the Company w.e.f April 20, 2017.

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

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

Disclosure of Composition of Audit Committee and providing Vigil Mechanism

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

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

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

Particulars of contracts or arrangements with related parties

During the year under review, your Company did not enter into any contract or arrangement in the nature of a Related Party Transactions (RPTs) under sub-section (1) of Section 188 of the Act which was not in ordinary course of business and not at arm's length.

During the financial year, your Company has availed Inter Corporate Deposits (ICD) from Mahindra Holidays & Resorts India Limited (MHRIL), holding Company, amounting to Rs. 2 lakh. As on March 31, 2017, the aggregate ICD availed by your company from MHRIL was Rs. 2.5 lakh.

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

Your Directors draw attention of the members to Note 17 to the Financial Statements which sets out related party disclosure.

Statutory Auditors

Messrs Anil Nair & Associates, Chartered Accountants, Chennai (ICAI Registration Number 000175S), were appointed as Statutory Auditors of the Company for a term of five years, from the conclusion of the Annual General Meeting (AGM) held on August 26, 2014 till the conclusion of AGM to be held in the year 2019, subject to a yearly ratification of such appointment by Shareholders at the Annual General Meeting. Accordingly, the Shareholders of the Company ratified the appointment of Statutory Auditors at their AGM held on July 28, 2016 for the financial year 2016-17.

Further, as required under the provisions of Section 139 and 141 of the Act, your Company has obtained a written certificate from the above Auditors to the effect that their ratification of appointment, if made at the forthcoming AGM, would be in conformity within the limits specified in the said Section. Accordingly, ratification of appointment of Statutory Auditors for the financial year 2017-18 is being sought from the Shareholders of the Company at the ensuing AGM.

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

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. March 31, 2017 and the date of the Directors' Report.

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

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

Internal Financial Controls

Your Company has adequate internal financial controls with reference to Financial Statements.

Deposits and Loans/Advances

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

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

Significant and Material Orders passed by the Regulators or Courts

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

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

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

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

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

Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards have been followed and there is no material departure;
- (b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view the state of affairs of the Company at the end of March 31, 2017 and of the loss of the Company for the year ended on that date;

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

Acknowledgements

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

For and on behalf of the Board of Directors

Ravindera Nath Khanna	Akhila Balachandar
Director	Director
(DIN: 05349095)	(DIN: 07676670)

Place: Chennai
Date: April 20, 2017

ANNEXURE I TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2017

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Not Applicable		

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2016				No. of Shares held at the end of the year 31/03/2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	50,000	50,000	100.00	–	50,000	50,000	100.00	–
e) Banks/Fl	–	–	–	–	–	–	–	–	–
f) Any Other....	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-	–	50,000	50,000	100.00	–	50,000	50,000	100.00	–

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2016				No. of Shares held at the end of the year 31/03/2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other...	–	–	–	–	–	–	–	–	–
Sub-total (A) (2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	–	50,000	50,000	100.00	–	50,000	50,000	100.00	–
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–
2. Non-Institutions									
a) Body Corp.	–	–	–	–	–	–	–	–	–
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individual	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B)=(B)(1)+(B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	–	50,000	50,000	100.00	–	50,000	50,000	100.00	–

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2016			Shareholding at the end of the year 31/03/2017			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1.	Mahindra Holidays & Resorts India Limited	50,000	100%	–	50,000	100%	–	–
	Total	50,000	100%	–	50,000	100%	–	–

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

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

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

V. INDEBTEDNESS

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

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans (ICD)	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	50,000	–	50,000
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	2,764	–	2,764
Total (i + ii + iii)	–	52,764	–	52,764
Change in Indebtedness during the financial year	–	–	–	–
+ Addition	–	2,00,000	–	2,00,000
– Reduction	–	–	–	–
Net change	–	2,00,000	–	2,00,000
Indebtedness at the end of the financial year				
i) Principal Amount	–	2,50,000	–	2,50,000
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	12,708	–	12,708
Total (i + ii + iii)	–	2,62,708	–	2,62,708

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

B. Remuneration to other Directors: Nil

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

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Ravindera Nath Khanna Director (DIN: 05349095)	Akhila Balachandar Director (DIN: 07676670)
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Place: Chennai
Date: April 20, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of

Mahindra Hotels & Residences India Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Mahindra Hotels and Residences India Limited** ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the

standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
 - (e) On the basis of the written representations received from the directors as on 31 March 2017 taken

on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigation which would impact its financial position.
 - ii. The company did not have material foreseeable losses on long term contracts and there were no derivative contracts.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.
- iv. The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.

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

Place: Chennai
Date: April 20, 2017

P. Narayan
Partner
Membership No.: 201758

ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2017, we report that:

- (i) The Company does not carry any fixed assets in its books. Accordingly, reporting under paragraph 3(i) (a), (b) and (c) of the order does not arise.
- (ii) The Company does not carry any Inventory in its books. Accordingly, reporting under paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) 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 income-tax, sales tax, value added tax, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or 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 give 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.
- (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 give 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.
- (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 him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Place: Chennai
Date: April 20, 2017

P. Narayan
Partner
Membership No.: 201758

ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **Mahindra Hotels & Residences India Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Chennai
Date: April 20, 2017

P. Narayan
Partner
Membership No.: 201758

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Note No.	Year Ended March 31, 2017	In Rs. Year Ended March 31, 2016
REVENUE			
Revenue from operations		-	-
Other Income		-	-
Total Revenue		<u>-</u>	<u>-</u>
EXPENSES			
Employee benefit expense	9	-	9,000
Finance costs	10	11,048	2,764
Depreciation and amortisation expense		-	-
Other expenses	11	129,269	59,447
Total Expenses		<u>140,317</u>	<u>71,211</u>
Profit/(loss) before tax		<u>(140,317)</u>	<u>(71,211)</u>
Tax Expense			
Current tax		-	-
Deferred tax		-	-
Total tax expense		<u>-</u>	<u>-</u>
Profit/(loss) after tax for the period		<u>(140,317)</u>	<u>(71,211)</u>
Profit/(loss) for the period		<u>(140,317)</u>	<u>(71,211)</u>
Total comprehensive income for the period		<u>(140,317)</u>	<u>(71,211)</u>
Earnings per equity share (for continuing operation):			
Basic and Diluted	12	(2.81)	(1.42)

See accompanying notes to the financial statements

In terms of our report attached.

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

P. Narayanan
Partner
Membership No.: 201758

Place : Chennai
Date : April 20, 2017

For and on behalf of the Board of Directors

Akhila Balachandar **Ravindera Nath Khanna**
Director Director

Place : Chennai
Date : April 20, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Year Ended March 31, 2017	In Rs. Year Ended March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax for the year	(140,317)	(71,211)
Adjustments for:		
Finance costs recognised in profit or loss	11,048	2,764
Movements in working capital:		
Decrease in trade payables	-	(44,944)
Increase in other current liabilities	30,829	84,955
Cash generated from operations	(98,440)	(28,436)
Income taxes paid	-	-
NET CASH GENERATED BY OPERATING ACTIVITIES	(98,440)	(28,436)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
NET CASH (USED IN)/GENERATED BY INVESTING ACTIVITIES		
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	200,000	50,000
Finance costs recognised in profit or loss	(11,048)	(2,764)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	188,952	47,236
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	90,512	18,800
Cash and cash equivalents at the beginning of the year	20,300	1,500
Effects of exchange rate changes on the balance of cash held in foreign currencies		
Cash and cash equivalents at the end of the year	110,812	20,300

See accompanying notes to the financial statements

In terms of our report attached.

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

P. Narayanan
Partner
Membership No.: 201758

Place : Chennai
Date : April 20, 2017

For and on behalf of the Board of Directors

Akhila Balachandar
Director

Ravindera Nath Khanna
Director

Place : Chennai
Date : April 20, 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

1 Corporate Information

The Company was incorporated on April 26, 2007 and has not yet commenced commercial operations.

2 Significant accounting policies

(i) Statement of compliance

The 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.

Up to the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of Generally Accepted Accounting Principles in India (previous GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April 2015. Refer Note (2 x) for the details of first-time adoption exemptions availed by the Company.

(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.

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.

In addition, for financial reporting purposes, fair value measurements are categorized 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

The Company had not commenced commercial operations during the year ended March 31, 2017.

(iv) Taxation

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

(v) Property, plant and equipment

There were no fixed assets in the Company during the year ended March 31, 2017.

(vi) 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.

(vii) 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 profit or loss.

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.

Classification of financial assets

Debt

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss 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 that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- 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.

A debt instrument that meets the amortized 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 recognizing 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.

De-recognition 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.

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:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- 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
- 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:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- 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
- 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' line item.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized 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'.

De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

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

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

(x) First-time adoption – mandatory exceptions and optional exemptions

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of 1 April 2015 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has not elected the exemption of previous GAAP carrying value of all its Property, Plant and Equipment recognized as of 1 April 2015 (transition date) as deemed cost.

Designation of Financial Liabilities as measured at fair value through profit or loss

The Company has not elected the exemption to designate Financial Liability at FVTPL even if the criteria mentioned in INDAS 109 at initial recognition are met at the transition date.

Note No. 3 - Cash and Cash Equivalents

	In Rs.		
	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Balances with banks	110,812	20,300	1,500
	<u>110,812</u>	<u>20,300</u>	<u>1,500</u>

Note No. 4 - Equity Share Capital

	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	No. of shares	Rs.	No. of shares	Rs.	No. of shares	Rs.
Authorised:						
Equity shares of Rs. 10 each with voting rights	50,000	500,000	50,000	500,000	50,000	500,000
Issued, Subscribed and Fully Paid:						
Equity shares of Rs. 10 each with voting rights	50,000	500,000	50,000	500,000	50,000	500,000
	<u>50,000</u>	<u>500,000</u>	<u>50,000</u>	<u>500,000</u>	<u>50,000</u>	<u>500,000</u>

MAHINDRA HOTELS AND RESIDENCES INDIA LIMITED

4.1 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 Rs. 10/-. Each holder of equity share is entitled to one vote per share.

4.1 b) Shares in the Company held by Holding Company and each shareholder holding more than 5% shares specifying the number of shares held.

Name of shareholder	No. of shares	% held as at March 31, 2017	No. of shares	% held as at March 31, 2016	No. of shares	% held as at April 1, 2015
Mahindra Holidays & Resorts India Limited (Holding Company)	49,994	99.99%	49,994	99.99%	49,994	99.99%

4.1 c) The reconciliation of the number of shares outstanding as at March 31, 2017, March 31, 2016 and April 1, 2015 is set out below:-

	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	No. of Shares	In Rs.	No. of Shares	In Rs.	No. of Shares	In Rs.
Number of shares at the beginning	50,000	500,000	50,000	500,000	50,000	500,000
Add: Issued during the year	-	-	-	-	-	-
Number of shares at the end of the year	<u>50,000</u>	<u>500,000</u>	<u>50,000</u>	<u>500,000</u>	<u>50,000</u>	<u>500,000</u>

Note No. 5 - Other Equity

	In Rs.	
	Retained earnings	Total
Balance at the beginning of the reporting period - April 1, 2015	(1,283,777)	(1,283,777)
Total Comprehensive income for the year	(71,211)	(71,211)
Balance at the end of the reporting period - March 31, 2016	<u>(1,354,988)</u>	<u>(1,354,988)</u>
Balance at the beginning of the reporting period - April 1, 2016	(1,354,988)	(1,354,988)
Total Comprehensive income for the year	(140,317)	(140,317)
Balance at the end of the reporting period - March 31, 2017	<u>(1,495,305)</u>	<u>(1,495,305)</u>

Note No. 6 - Current Borrowings

	In Rs.		
	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Unsecured Borrowings			
Loans from related parties	250,000	50,000	-
	<u>250,000</u>	<u>50,000</u>	<u>-</u>

Note No. 7 - Trade Payables

	In Rs.		
	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Trade payable for goods & services	740,333	740,333	785,277
	<u>740,333</u>	<u>740,333</u>	<u>785,277</u>

Note No. 8 - Other Current Liabilities

	As At March 31, 2017	As At March 31, 2016	In Rs. As At April 1, 2015
Statutory dues			
- taxes payable (other than income taxes)	586	3,000	-
Other payables	<u>115,199</u>	<u>81,955</u>	-
	<u>115,784</u>	<u>84,955</u>	-

Note No. 9 - Employee Benefit Expense

	In Rs.	
	Year Ended March 31, 2017	Year Ended March 31, 2016
Staff welfare expenses	-	9,000
	<u>-</u>	<u>9,000</u>

Note No. 10 - Finance Cost

	In Rs.	
	Year Ended March 31, 2017	Year Ended March 31, 2016
Interest expense	11,048	2,764
	<u>11,048</u>	<u>2,764</u>

Note No. 11 - Other Expenses

	In Rs.	
	Year Ended March 31, 2017	Year Ended March 31, 2016
Rates and taxes	691	1,797
Auditors remuneration and out-of-pocket expenses		
As Auditors	34,350	34,350
Other expenses		
Legal and other professional costs	94,228	23,300
	<u>129,269</u>	<u>59,447</u>

Note No. 12 - Earnings per Share

	In Rs.	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Basic and Diluted Earnings per share	(2.81)	(1.42)

	In Rs.	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Profits used in the calculation of basic earnings per share and diluted earnings per	(140,317)	(71,211)
Weighted average number of equity shares	50,000	50,000
Earnings per share - Basic and Diluted	(2.81)	(1.42)

Note No. 13 - First-time adoption of Ind-AS

First Time Ind AS Adoption reconciliations

(i) Reconciliation of Total Equity as at March 31, 2016 and April 1, 2015:

	In Rs.	
	As At March 31, 2016	As At April 1, 2015
Equity as reported under previous GAAP	(854,988)	(783,777)
Ind AS Adjustments	-	-
Equity as reported under IND AS	<u>(854,988)</u>	<u>(783,777)</u>

(ii) Reconciliation of Total Comprehensive Income for the year ended March 31, 2016:

	In Rs.
	For the year ended March 31, 2016
Profit or Loss as per previous GAAP	(71,211)
Total adjustment to profit or loss	-
Profit or Loss under Ind AS	(71,211)
Other comprehensive income	-
Total comprehensive income under Ind ASs	(71,211)

(iii) Material adjustments to the Statement of Cash Flows

Analysis of cash and cash equivalents as at March 31, 2016 and April 1, 2015 for the purpose of Statement of Cash flows under Ind AS

	As at March 31, 2016	As at April 1, 2015
Cash and cash equivalents for the purpose of Statement of Cash flows as per Previous GAAP	20,300	1,500
Adjustments	-	-
Cash and cash equivalents for the purpose of Statement of Cash flows as per Ind AS	20,300	1,500

Note No. 14 - Categories of financial assets and financial liabilities

	In Rs.	
	As at March 31, 2017	
	Amortised Costs	Total
Current Assets		
Cash & Bank balances	110,812	110,812
Current Liabilities		
Borrowings	250,000	250,000
Trade Payables	740,333	740,333
	As at March 31, 2016	In Rs.
	Amortised Costs	Total
Current Assets		
Cash & Bank balances	20,300	20,300
Current Liabilities		
Borrowings	50,000	50,000
Trade Payables	740,333	740,333
	As at April 1, 2015	In Rs.
	Amortised Costs	Total
Current Assets		
Cash & Bank balances	1,500	1,500
Current Liabilities		
Trade Payables	785,277	785,277

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

P. Narayanan
Partner
Membership No.: 201758

Place : Chennai
Date : April 20, 2017

Note No. 15 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

The fair value of the financial assets and financial liabilities that are not measured at fair value is closely approximates the carrying value as disclosed below:

	March 31, 2017		March 31, 2016		April 1, 2015	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial liabilities						
Cash and Cash Equivalents	110,812	110,812	20,300	20,300	1,500	1,500
Financial liabilities						
Borrowings	250,000	250,000	50,000	50,000	-	-
Trade Payables	740,333	740,333	740,333	740,333	785,277	785,277
Total	990,333	990,333	790,333	790,333	785,277	785,277

Note No. 16 - Segment information

The Company did not commence commercial operations during the year ended March 31, 2017. Hence, the disclosure requirement as per Ind AS 108 on Operating Segment would not be applicable to the Company.

Note No. 17 - Related Party Transactions

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

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

(ii) Related Party Transactions and balances

Particulars	March 31, 2017	March 31, 2016
Holding company		
Transactions during the year:		
Interest accrued on ICD	11,048	2,764
ICD Availed	200,000	50,000
Ultimate Holding company		
Transactions during the year:		
Training expenses	-	9,000
Holding company		
Balances as at:		
Trade Payables	740,333	740,333
ICD Outstanding	250,000	50,000
Interest accrued but not due on ICD	12,708	2,764
Ultimate Holding company		
Balances as at:		
Other Payables	10,305	10,305

Note No. 18 - Previous year figures have been regrouped/reclassified to correspond with current year's classification/disclosure, wherever deemed necessary.

For and on behalf of the Board of Directors

Akhila Balachandar
Director

Ravindera Nath Khanna
Director

Place : Chennai
Date : April 20, 2017

DIRECTORS' REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting their Sixth Annual Report of the Company along with the audited Financial Statements for the Financial Year ended March 31, 2017.

PERFORMANCE OF THE COMPANY

Your Company is developing a resort property of 116 rooms at Naldhera, Himachal Pradesh and the construction of the same is at a completion stage. Your Company is yet to commence operations. During the year under review, the Company has incurred a loss of Rs. 28.74 lakh.

During the year, your Company availed a secured loan upto Rs. 650 million from Kotak Mahindra Bank for setting up of resort property in Naldera by hypothecating movable assets of the Company. Further, the Company will create charge on the immovable properties in due course.

DIVIDEND

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

TRANSFER TO RESERVES

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

HOLDING COMPANY

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

AUDITORS' REPORT

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to the Financial Statements for the financial year ended March 31, 2017. Information referred in the Auditors Report are self-explanatory and do not call for any further comments.

EXTRACT OF THE ANNUAL RETURN

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

BOARD OF DIRECTORS

As on the date of this report, your Company has 4 (four) Directors consisting of following:

Name of the Director	DIN	Designation
Mr. Ravindera Nath Khanna	05349095	Non-Executive Director
Mrs. Akhila Balachandar	07676670	Non-Executive Director
Mr. Kanwaljit Singh Thanewal	01231075	Independent Director
Mr. Manish Vora	07133944	Independent Director

APPOINTMENT OF DIRECTOR

Pursuant to Section 161 of the Act and Articles of Association of the Company, the Board of Directors at their meeting held on

February 17, 2017, on the recommendation of the Nomination and Remuneration Committee, appointed Mrs. Akhila Balachandar as an Additional Director of the Company to hold office till the next General Meeting. Her appointment as a Director was subsequently approved by the Shareholders of the Company at their meeting held on March 20, 2017.

RE-APPOINTMENT OF INDEPENDENT DIRECTORS

Mr. Kanwaljit Singh Thanewal and Mr. Manish Vora were appointed as the Independent Directors of the Company for a period of 2 years from March 25, 2015 to March 24, 2017 (both days inclusive).

As the term of the Independent Directors was expiring on March 25, 2017, the Board of Directors at their meeting held on February 17, 2017, based on the recommendation of the Nomination and Remuneration Committee, recommended the re-appointment of Mr. Kanwaljit Singh Thanewal and Mr. Manish Vora as the Independent Directors of the Company for the approval of the Shareholders for a further period of three (3) years and two (2) years respectively.

Your Company had received notices under Section 160 of the Act in writing from a member proposing the candidature for re-appointment of Mr. Kanwaljit Singh Thanewal and Mr. Manish Vora as the Independent Directors of the Company for a second term. Accordingly, the Shareholders of the Company at their Extraordinary General Meeting held on March 20, 2017 approved the re-appointment of Mr. Kanwaljit Singh Thanewal and Mr. Manish Vora as Independent Directors of the Company for the second term to hold the office as Independent Director for a period of three (3) years and two (2) years respectively to be effective from March 25, 2017.

RESIGNATION OF DIRECTOR

Mr. Dinesh Shetty and Mr. Ajay Agrawal resigned as the Directors of the Company w.e.f. the close of the business hours on February 17, 2017 and April 10, 2017 respectively. The Board places on record the valuable contribution made by them during their tenure as the Directors of the Company.

RETIREMENT BY ROTATION

Mr. Kanwaljit Singh Thanewal and Mr. Manish Vora are Independent Directors of the Company and are not liable to retire by rotation.

Pursuant to Section 152(6) of the Act and Articles of Association of the Company, Mr. Ravindera Nath Khanna retires by rotation, who had been longest in the office and being eligible, offers himself for re-appointment.

DECLARATION BY INDEPENDENT DIRECTORS

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

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND ATTENDANCE

During the year under review, the Board met four times on: May 14, 2016, August 18, 2016, December 15, 2016 and February 17, 2017. The gap between two Meetings did not exceeding one hundred and twenty days. The details of attendance of Directors at the meeting are given below:

Name of Director	No. of Meetings held	No. of Meetings attended
Dinesh Shetty*	4	3
Ajay Agarwal**	4	4
Ravindra Nath Khanna	4	1
Kanwaljit Singh Thanewal	4	2
Manish Vora	4	3
Akhila Balachandar***	Nil	Nil

* Resigned as a Director of the Company w.e.f. February 17, 2017.

** Resigned as a Director of the Company w.e.f April 20, 2017

*** Appointed on the Board of the Company w.e.f. February 17, 2017.

AUDIT COMMITTEE

The Composition of the Audit Committee is in compliance with the provisions of Section 177 of the Act. During the year under review, the Audit Committee met three times on: May 9, 2016, August 18, 2016 and February 17, 2017. The Audit Committee members and their attendance details are as follows:

Name of the Member	Designation	No. of Meetings held	No. of Audit Committee Meetings attended
Mrs. Akhila Balachandar	Non-Executive Director	Nil	Nil
Mr. Kanwaljit Singh Thanewal	Independent Director	3	2
Mr. Manish Vora	Independent Director	3	3
Mr. Ajay Agrawal	Non-Executive Director	3	3

During the year under review, the Audit Committee was reconstituted by the inclusion of Mrs. Akhila Balachandar as its member with effect from February 17, 2017 in place of Mr. Ajay Agrawal.

All members of the Committee possess the ability to read and understand the Financial Statements. The terms of reference of the Committee are in accordance with the requirements of Section 177 of the Act.

NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Composition of the NRC is in compliance with the provisions of Section 178 of the Act. During the year under review, the NRC met twice on: August 18, 2016 and February 17, 2017. The NRC members and their attendance details are as follows:

Name of the Member	Designation	No. of Meetings held	No. of Audit Committee Meetings attended
Mrs. Akhila Balachandar	Non-Executive Director	Nil	Nil
Mr. Kanwaljit Singh Thanewal	Independent Director	2	2
Mr. Manish Vora	Independent Director	2	2
Mr. Ajay Agrawal	Non-Executive Director	2	2
Mr. Dinesh Shetty	Non-Executive Director	2	2

Consequent to the resignation of Mr. Dinesh Shetty as a Director of the Company w.e.f February 17, 2017 the NRC was reconstituted. Mrs. Akhila Balachandar was included as its member with effect from February 17, 2017, and Mr. Ajay Agrawal was excluded as its member.

The terms of reference of the Committee are in accordance with the requirements of Section 178 of the Act.

REMUNERATION POLICY

In compliance with Section 178(3) of the Act, the Nomination and Remuneration Committee has formulated a policy relating to the remuneration for the Directors, Key Managerial Personnel (KMP) and other employees. The Policy provides that all employees, irrespective of contract, are to be remunerated fairly and the remuneration is to be externally competitive and internally equitable, which remuneration will be paid in accordance with the laid down Statutes. Further, remuneration for on-roll employees will include a fixed or guaranteed component payable monthly; and a variable component for eligible employees, which is based on performance and paid annually, and it shall be consistent with the competitive position of the salary for similar positions in the industry after considering the Qualifications, Experience, Roles and Responsibilities. Remuneration to the Directors and KMPs are subject to the approval of the Nomination and Remuneration Committee/Board.

BOARD EVALUATION

Pursuant to the provisions of the Act, evaluation of every Director's performance was done by the Nomination and Remuneration Committee. The performance evaluation of Non-Independent Directors and the Board as a whole and Committees thereof was carried out by Independent Directors. Evaluation of Independent Directors was carried out by the entire Board of Directors excluding the Director being evaluated. The Directors expressed their satisfaction with the evaluation process.

MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors of the Company met once on May 19, 2016 without the presence of the Non-Independent Directors or Chief Financial Officer or

other management personnel. The meeting was conducted to enable the Independent Directors to discuss matters pertaining to inter alia, review of performance of Non-Independent 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.

KEY MANAGERIAL PERSONNEL (KMPs)

Mr. Balamurugan PS, Manager, Ms. Preetha Thanikachalam, Chief Financial Officer and Mr. Nirav Momaya, Company Secretary, are the KMPs as per the provisions of the Act. None of the KMPs resigned during the year.

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

During the year 2016-17, your Company did not grant any loans or give any guarantees or made investments as per the provisions of Section 186 of the Act.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

During the year under review, your Company availed fresh ICD from MHRIL amounting to Rs. 1,650 lakh and made repayment of ICD amounting to Rs. 1,680 lakh. As on March 31, 2017, the outstanding ICD availed by your Company from MHRIL was at Rs. 220 lakh.

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

Your Directors draw attention of the members to Note No. 24 of the Financial Statements which sets out related party disclosure.

STATUTORY AUDITORS

M/s Vinod Kumar Arora & Associates, Chartered Accountants, Haryana (ICAI Registration Number 012099N) have been Auditors of the Company from the inception of the Company. Pursuant to the provisions of the Companies Act, 2013, M/s Vinod Kumar Arora & Associates had been appointed as Statutory Auditors of the Company for FY 2014-15 (first term) and subsequently for two consecutive financial years i.e. from FY 2015-16 to FY 2016-17 (second term).

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013, an audit firm shall not be re-appointed for more

than two terms of five consecutive years. Accordingly, M/s Vinod Kumar Arora & Associates the present Auditors of the Company will be completing their second term as Auditors on the conclusion of the forthcoming AGM.

The Board places on record its appreciation for the professional service rendered by M/s Vinod Kumar Arora & Associates, Chartered Accountants, Haryana, during their tenure as the Statutory Auditors of the Company.

Subject to the approval of the Members, the Board of Directors of the Company, based on the recommendations received from the Audit Committee, recommended M/s Sukhdeep Singh Arora & Associates (ICAI membership No: 024705N) as the Statutory Auditors of the Company for a period of 3 (three) years commencing from the conclusion of the 6th AGM till the conclusion of 9th AGM of the Company to be held in the year 2020, subject to ratification of their appointment by the Members at every AGM of the Company. M/s Sukhdeep Singh Arora & Associates have consented to the said appointment, and confirmed that their appointment if made, would be within the limits mentioned under Section 143 of the Act and Rules thereon.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. March 31, 2017 and the date of this Report.

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

The provisions of Corporate Social Responsibility are not applicable to the Company.

INTERNAL FINANCIAL CONTROLS

Your Company has adequate internal financial controls with reference to Financial Statements. The Audit Committee of the Board reviews the internal control systems of the Company.

DEPOSITS AND LOANS/ADVANCES

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

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

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

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

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

Your Company has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them and mechanisms for their proper monitoring and reporting. The Audit Committee reviews the implementation and monitoring of risk management systems of the Company including identification therein of elements of risks, if any, which in the opinion of the Committee may threaten the existence of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards have been followed and there is no material departure;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of March 31, 2017 and of the loss of the Company for the year ended on that date;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

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

GENERAL

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

EMPLOYEE REMUNERATION

Being an Unlisted Company, the details of employee remuneration as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to your Company.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Ravindera Nath Khanna
Director
(DIN: 05349095)

Akhila Balachandar
Director
(DIN: 07676670)

Chennai
May 3, 2017

ANNEXURE I TO THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2017

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2017

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
	Not Applicable		

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2016				No. of Shares held at the end of the year 31-03-2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	4,96,78,600	4,96,78,600	100.00	-	4,96,78,600	4,96,78,600	100.00	NIL
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	4,96,78,600	4,96,78,600	100.00	-	4,96,78,600	4,96,78,600	100.00	NIL

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2016				No. of Shares held at the end of the year 31-03-2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	-	4,96,78,600	4,96,78,600	100.00	-	4,96,78,600	4,96,78,600	100.00	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A + B + C)	-	4,96,78,600	4,96,78,600	100.00	-	4,96,78,600	4,96,78,600	100.00	NIL

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01-04-2016			Shareholding at the end of the year 31-03-2017			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Mahindra Holidays & Resorts India Limited	4,96,78,600	100.00	–	4,96,78,600	100.00	–	–
	Total	4,96,78,600	100.00	–	4,96,78,600	100.00	–	–

(iii) Change in Promoters' Shareholding (please specify, if there is no change): Not Applicable

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

(v) Shareholding of Directors and Key Managerial Personnel: None of the Directors and KMPs hold any Shares in the Company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in lakh)

	Secured Loans excluding deposits	Unsecured Loans (ICD)	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	250	–	250
ii) Interest due but not paid	Nil	–	–	–
iii) Interest accrued but not due	Nil	370	–	370
Total (i + ii + iii)	Nil	620	–	620
Change in Indebtedness during the financial year				
+ Addition	4,900	1,650	–	6,550
– Reduction	Nil	1,680	–	1,680
Net change	4,900	(30)	–	4,870
Indebtedness at the end of the financial year				
i) Principal Amount	4,900	220	–	5,120
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	4,900	220	–	5,120

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs)

Sr. No.	Particulars of Remuneration	Name of MD/WFD/Manager	Total Amount (Rs)
		Balamurugan PS	
1.	Gross salary		
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	–	–
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–
	c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	–	–
2.	Stock Option	–	–

(Amount in Rs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (Rs)
		Balamurugan PS	
3.	Sweat Equity	–	–
4.	Commission	–	–
	– as % of profit	–	–
	– others, specify...	–	–
5.	Others, please specify – Deputation charges payable to Mahindra Holidays & Resorts India Limited	2,171,361	2,171,361
	Total (A)	2,171,361	2,171,361
	Ceiling as per the Act		N.A.

B. Remuneration of other Directors:

(Amount in Rs)

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Dinesh Shetty	Ravindera Nath Khanna	Ajay Agarwal	Akhila Balachandar	Manish Vora	Kanwaljit Singh Thanewal	
1.	Independent Directors							
	Fee for attending Board/Committee meetings	–	–	–	–	55,000	40,000	95,000
	Commission	–	–	–	–	–	–	–
	Others, please specify	–	–	–	–	–	–	–
	Total (1)	–	–	–	–	–	–	–
2.	Other Non-Executive Directors							
	Fee for attending Board/Committee meetings	–	–	–	–	–	–	–
	Commission	–	–	–	–	–	–	–
	Others, please specify	–	–	–	–	–	–	–
	Total (2)	–	–	–	–	–	–	–
	Total (B) = (1 + 2)	–	–	–	–	–	–	–
	Total Managerial Remuneration	–	–	–	–	55,000	40,000	95,000
	Overall Ceiling as per the Act							N.A.

C. Remuneration to key managerial personnel other than MD/Manager/WTD:

(Amount in Rs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
		Nirav Momaya	Preetha Thanikachalam	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	–	–	–
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	–	–	–
2.	Stock Option	–	–	–

(Amount in Rs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of Profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify - Deputation charges payable to Mahindra Holidays & Resorts India Limited	156,000	183,200	339,200
	Total	156,000	183,200	339,200

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Ravindera Nath Khanna
Director
(DIN: 05349095)

Akhila Balachandar
Director
(DIN: 07676670)

Place : Chennai
Date : May 3, 2017

ANNEXURE II TO THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2017**FORM NO. AOC – 2**

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a) Name(s) of the related party Nature of relationship	Mahindra Holidays & Resorts India Limited (MHRIL) Holding Company	
(b) Nature of contracts/arrangements/ transactions	Manpower Sharing Services	Inter Corporate Deposits (ICD)
(c) Duration of the contracts/ arrangements/transactions	One year	One Year
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Manpower sharing services with MHRIL amounting to Rs. 25.10 lakh.	ICD taken during the year amounting to Rs. 1,650 lakh, ICD repaid during the year amounting to Rs. 1,680 lakh and balance ICD outstanding as on March 31, 2017 was Rs. 220 lakh.
(e) Date(s) of approval by the Board, if any:	NA	NA
(f) Amount paid as advances, if any;	Nil	Nil

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

For and on behalf of the Board of Directors

Ravindera Nath Khanna
Director
(DIN: 05349095)

Akhila Balachandar
Director
(DIN: 07676670)

Place: Chennai
Date: May 3, 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GABLES PROMOTERS PRIVATE LIMITED

We have audited the accompanying standalone Ind AS Financial Statements of **Gables Promoters Private Limited ("the Company")**, which comprise of Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS financial statements")

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the preparation of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the

assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the state of affairs of the Company as at 31st March,2017, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements:-

As required by 'the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on March 31,2017 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2017 from being appointed as director in terms Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigations which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and these are in accordance with the books of accounts maintained by the Company.

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

(Vinod Kumar Arora)
Proprietor
Membership No. 091264

Place: Panchkula
Date: 03/05/2017

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

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

I have audited the internal financial controls over financial reporting of Gables Promoters Private Limited (“the Company”) as of March 31, 2017 in conjunction with my audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For Vinod Kumar Arora & Associates
Chartered Accountants
Firm Reg. No.: 012099N

(Vinod Kumar Arora)
Proprietor
Membership No. 091264

Place: Panchkula
Date: 03/05/2017

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

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

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

- (i) (a) Not Applicable, as company does not have any Movable Fixed assets in the previous year nor purchased during the Year. The Company owns Land only at Village Naldhera. The construction of Hotel building thereon is under process during the current year and proceeding year has been shown as capital work in progress.
- (b) Not Applicable, as there is not other fixed assets purchased by the company during the year. During the year the company has not sold/disposed off substantial part of fixed assets.
- (c) The title deeds of the immovable properties are in the name of company.
- (ii) (a) Not Applicable, as there is no inventory as company has not started its operations
- (iii) The Company has not granted any loans secured or unsecured to companies, firms and/or other parties listed/covered in the register maintained under section 189 of the Companies Acts, 2013. Therefore, the provisions of Clause 3(a) to 3(c) of the said Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us, the company has not given any loans, Guarantees and security to anyone in contravening the provisions of Section 185 and 186 of Companies Act, 2013.
- (v) In our opinion and according to the information and explanation given to us, The Company has not accepted any deposits during the year and has not contravened the provisions of section 73 to 76 and any other provision of the companies act and rules framed there under. However the company has taken inter corporate deposit & imprest payable from its holding company Mahindra Holidays and Resorts India Limited for the purpose of construction of Resort/Hotel. The Maximum amount Standing during the Year is Rs. 13,00,00,000/- and The outstanding as at the year ended 31/03/2017 was Rs. 22,000,000.00. (Previous Year – Rs 25,000,000.00). In our Opinion, the rate of interest and other terms and condition on which these loans were taken are not prima facie prejudicial to the interest. Besides the above, Rs. 12675626/- has also been outstanding as on 31/03/2017 on account payment made for Expenses on the behalf of the company.
- (vi) The maintenance of cost records have not been applicable so far as prescribed by the Central Government under section 148(1) of the Companies Act, 1956 as the companies has not started its operations.
- (vii) (a) The company is regular in depositing the statutory dues in respect of TDS, Service Tax & WCT .There is no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than Six Month from the date they became payable.
- (b) According to the information and explanations given to us, no dues in case of sales tax/income tax/custom tax/excise duty/cess/Value Added Tax/WCT have been outstanding on account of dispute with the concerned department.
- (viii) The company has been sanctioned a Term Loan loans for Rs. 65 .00 Crore from Kotak Mahindra Bank against Naldhera Property during the financial Year 2016-2017. However the Company has utilized Rs. 49.00 Crore as at 31/03/2017. The loan has been repayable with in 7 years including moratorium of 2 year from the date of first draw down .The loan has been taken for the purpose of construction of Resort/Hotels at Naldhera, HP.
- (ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). However the moneys were raised by way of term loans from Banks which were applied for the purpose for which those were raised.
- (x) Based upon the audit procedures performed and the information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the year.
- (xi) it has been told that Company has paid & provided the Managerial Remuneration in accordance with the requisite approvals mandated by the provisions of the section 197 read with Schedule V to the Companies Act.
- (xii) Not Applicable, as the company is not a Nidhi Company
- (xiii) All the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the standalone Ind AS financial Statements vide Note No.24, as required by the applicable standards.
- (xiv) According to the information and explanations given to us, the Companies has not made any preferential allotment or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us the Companies has not entered into non-cash transactions with directors or persons connected with him during the year under review. Hence provisions of section 192 of Companies Act, 2013 has not been applicable.
- (xvi) According to the information and explanations given to us, the Companies is not required to registered under section 4S-IA of the Reserve Bank of India Act, 1934.

For Vinod Kumar Arora & Associates

Chartered Accountants
Firm Reg. No.: 012099N

(Vinod Kumar Arora)
Proprietor
Membership No. 091264

Place: Panchkula
Date: 03/05/2017

BALANCE SHEET AS ON MARCH 31, 2017

Particulars	Note No.	As At March 31, 2017	As At March 31, 2016	In Rs.
				As At April 1, 2015
ASSETS				
Non-current assets				
Property, Plant and Equipment	3	128,400,010	128,400,010	128,400,010
Capital work-in-progress		906,320,928	426,700,751	224,293,324
Financial Assets				
Others	4	–	1,012,082	–
Other non-current assets	5	2,059,378	10,836,844	9,433,604
		<u>1,036,780,316</u>	<u>566,949,687</u>	<u>362,126,938</u>
Current assets				
Financial Assets				
Cash and cash equivalents	6	11,150,986	2,329,811	5,269,977
Loans	7	800,002	18,605	–
Other current assets	8	7,356,996	1,197,612	123,600
		<u>19,307,984</u>	<u>3,546,028</u>	<u>5,393,577</u>
		<u>1,056,088,300</u>	<u>570,495,715</u>	<u>367,520,515</u>
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	9	496,786,000	496,786,000	132,000,000
Other Equity	10	(8,307,341)	(5,433,314)	(571,822)
		<u>488,478,659</u>	<u>491,352,686</u>	<u>131,428,178</u>
Non-current liabilities				
Financial Liabilities				
Borrowings	11	490,000,000	–	–
Others	12	30,598,102	15,167,189	7,297,905
		<u>520,598,102</u>	<u>15,167,189</u>	<u>7,297,905</u>
Current liabilities				
Financial Liabilities				
Borrowings	13	22,000,000	25,000,000	211,786,000
Trade payables	14	6,612,846	47,000	–
Other current liabilities	15	18,398,693	38,928,840	17,008,432
		<u>47,011,539</u>	<u>63,975,840</u>	<u>228,794,432</u>
		<u>1,056,088,300</u>	<u>570,495,715</u>	<u>367,520,515</u>

See accompanying notes to the financial statements

In terms of our report attached.**For Vinod Kumar Arora & Associates**

Chartered Accountants

Firm Registration No. 012099N

Vinod Kumar Arora

Proprietor

Membership No. 091264

Place : Chennai

Date : 03/05/2017

For and on behalf of the Board of Directors**Ravindera Nath Khanna**
Director**Akhila Balachandar**
Director**T. Preetha**
CFO**Nirav Momaya**
Company SecretaryPlace : Chennai
Date : 03/05/2017**Balamurugan PS**
Manager

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Note No.	(In Rs.)	
		Year Ended March 31, 2017	Year Ended March 31, 2016
REVENUE			
Other Income	16	30,259	12,082
Total Revenue		30,259	12,082
EXPENSES			
Employee benefit expense	17	339,200	321,858
Other expenses.....	18	2,565,086	4,551,716
Total Expenses		2,904,286	4,873,574
Profit/(loss) before tax.....		(2,874,027)	(4,861,492)
Tax Expense			
Current tax		-	-
Deferred tax.....		-	-
Total tax expense.....		-	-
Profit/(loss) after tax for the period		(2,874,027)	(4,861,492)
Profit/(loss) for the period		(2,874,027)	(4,861,492)
Total comprehensive income for the period		(2,874,027)	(4,861,492)
Earnings per equity share (for continuing operation):			
Basic and Diluted	19	(0.06)	(0.34)

See accompanying notes to the financial statements

In terms of our report attached.

For Vinod Kumar Arora & Associates

Chartered Accountants
Firm Registration No. 012099N

Vinod Kumar Arora

Proprietor
Membership No. 091264

Place : Chennai
Date : 03/05/2017

For and on behalf of the Board of Directors

Ravindera Nath Khanna
Director

Akhila Balachandar
Director

T. Preetha
CFO

Nirav Momaya
Company Secretary

Place : Chennai
Date : 03/05/2017

Balamurugan PS
Manager

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	In Rs.	
	Year Ended March 31, 2017	Year Ended March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax for the year	(2,874,027)	(4,861,492)
Adjustments for:		
Preliminary expenses written off	-	797,303
Movements in working capital:		
(Increase)/decrease in other assets	1,836,685	(3,293,161)
Increase/(decrease) in trade and other payables	1,466,611	5,580,083
Cash generated from operations	429,269	(1,777,267)
Income taxes paid	-	-
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	429,269	(1,777,267)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital work in progress	(479,620,176)	(202,407,427)
Amounts advanced from related parties	-	202,256,610
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(479,620,176)	(150,817)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from borrowings	487,000,000	-
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	487,000,000	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	7,809,093	(1,928,084)
Cash and cash equivalents at the beginning of the year	3,341,893	5,269,977
Cash and cash equivalents at the end of the year	11,150,986	3,341,893

See accompanying notes forming part of the financial statements

In terms of our report attached.**For Vinod Kumar Arora & Associates**

Chartered Accountants

Firm Registration No. 012099N

Vinod Kumar Arora

Proprietor

Membership No. 091264

Place : Chennai

Date : 03/05/2017

For and on behalf of the Board of Directors**Ravindera Nath Khanna**

Director

Akhila Balachandar

Director

T. Preetha

CFO

Nirav Momaya

Company Secretary

Place : Chennai

Date : 03/05/2017

Balamurugan PS

Manager

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate Information

The Company was incorporated on January 9, 2012 and is in the principle business of construction, maintenance & running of hotels, resorts, shopping malls, buildings and other commercial & residential apartments.

2 Significant accounting policies

(i) Statement of compliance

The 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.

Up to the year ended 31 March 2016, the Company prepared its financial statements in accordance with the requirements of Generally Accepted Accounting Principles in India (previous GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April 2015. Refer Note 2(xi) for the details of first-time adoption exemptions availed by the Company.

(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.

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.

In addition, for financial reporting purposes, fair value measurements are categorized 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

The Company has not commenced commercial operations during the year ended March 31, 2017.

(iv) 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 profit or loss in the period in which they are incurred.

(v) Taxation

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

(vi) Property, plant and equipment

Land and buildings held for use in the production or supply 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 not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees 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, commences when the assets are ready for their intended use.

(vii) 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.

(viii) 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 profit or loss.

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.

Classification of financial assets

Debt

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss 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 that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- 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.

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.

De-recognition 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.

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:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- 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
- 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:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- 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
- 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' line item.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized 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'.

De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

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

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

(xi) First-time adoption – mandatory exceptions and optional exemptions

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of 1 April 2015 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has not elected the exemption of previous GAAP carrying value of all its Property, Plant and Equipment recognized as of 1 April 2015 (transition date) as deemed cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**Note No. 3 - Tangible Assets**

Description of Assets	In Rs.	
	Land - Freehold	Total
I. Gross Block		
Balance as at 1 April, 2016.....	128,400,010	128,400,010
Additions.....	-	-
Disposals	-	-
Balance as at 31 March, 2017	128,400,010	128,400,010
II. Accumulated depreciation and impairment for the year		
Balance as at 1 April, 2016	-	-
Depreciation/amortisation expense for the year ...	-	-
Eliminated on disposal of assets	-	-
Balance as at 31 March, 2017	-	-
Net block (I-II)		
Balance as on 31st March 2017	128,400,010	128,400,010
Balance as on 31st March 2016	128,400,010	128,400,010

Description of Assets	In Rs.	
	Land - Freehold	Total
I. Gross Block		
Balance as at 1 April, 2015	128,400,010	128,400,010
Additions	-	-
Disposals	-	-
Balance as at 31 March, 2016	128,400,010	128,400,010
II. Accumulated depreciation and impairment for the year		
Balance as at 1 April, 2015	-	-
Depreciation/amortisation expense for the year ...	-	-
Eliminated on disposal of assets	-	-
Balance as at 31 March, 2016	-	-
Net block (I-II)		
Balance as on 31st March 2016	128,400,010	128,400,010
Balance as on 31st March 2015	128,400,010	128,400,010

Note No. 9 - Equity Share Capital

	As At		As At		As At	
	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	Rs.	No. of shares	Rs.	No. of shares	Rs.
Authorised:						
Equity shares of Rs. 10 each with voting rights	60,000,000	600,000,000	60,000,000	600,000,000	13,500,000	135,000,000
Issued, Subscribed and Fully Paid:						
Equity shares of Rs. 10 each with voting rights	49,678,600	496,786,000	49,678,600	496,786,000	13,200,000	132,000,000
	49,678,600	496,786,000	49,678,600	496,786,000	13,200,000	132,000,000

Note No. 4 - Other financial assets - Non-Current

	In Rs.	
	As At March 31, 2017	As At March 31, 2016
Financial assets at amortised cost		
Bank Deposit with more than 12 months maturity	-	1,012,082
	-	1,012,082

Note No. 5 - Other assets - Non-Current

	In Rs.	
	As At March 31, 2017	As At March 31, 2016
Capital advances		
For Capital work in progress	2,059,378	10,836,844
	2,059,378	10,836,844

Note No. 6 - Cash and Bank Balances

	In Rs.	
	As At March 31, 2017	As At March 31, 2016
Cash and cash equivalents		
Balances with banks	11,150,986	2,329,811
	11,150,986	2,329,811

Note No. 7 - Loans

	In Rs.	
	As At March 31, 2017	As At March 31, 2016
Other Loans		
- Unsecured, considered good ...	800,002	18,605
	800,002	18,605

Note No. 8 - Other assets - Current

	In Rs.	
	As At March 31, 2017	As At March 31, 2016
Advances other than capital advances		
Balances with government authorities (other than income taxes)	72,268	-
Other advances		
Advance to suppliers	7,284,728	1,197,612
	7,356,996	1,197,612

GABLES PROMOTERS PRIVATE LIMITED

9.1 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 Rs. 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.

9.1 b) Shares in the Company held by Holding Company and each shareholder holding more than 5% shares specifying the number of shares held.

Name of shareholder	No. of shares	% held as at 31-Mar-17	No. of shares	% held as at 31-Mar-16	No. of shares	% held as at 01-Apr-15
Mahindra Holidays & Resorts India Limited (Holding Company)	49,678,500	100.00%	49,678,500	100.00%	13,199,900	100.00%
Mahindra Holidays & Resorts India Limited Jointly with Mr. Dinesh Shetty	100	0.00%	100	0.00%	100	0.00%

9.1 c) The reconciliation of the number of shares outstanding as at March 31, 2017, March 31, 2016 and April 01, 2015 is set out below:-

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	No. of Shares	In Rs.	No. of Shares	In Rs.	No. of Shares	In Rs.
Number of shares at the beginning	49,678,600	496,786,000	13,200,000	132,000,000	13,200,000	132,000,000
Add: Issued during the year	-	-	36,478,600	364,786,000		
Number of shares at the end	49,678,600	496,786,000	49,678,600	496,786,000	13,200,000	132,000,000

During the previous year the Company had raised its authorised share capital (duly approved by the Board/Shareholders) from Rs. 13.50 crores to Rs. 60 Crores, The Company also issued 36,478,600 Nos. of equity shares @ 10 /- each to its Holding Company Mahindra Holidays & Resorts India Limited during the previous year in lieu of inter Corporate Loan (deposit) standing in the name of Mahindra Holidays & Resorts India Limited.

Note No. 10 - Other Equity

	In Rs.	
	Retained earnings	Total
Balance at the beginning of the reporting period-April 1, 2015	(571,822)	(571,822)
Total Comprehensive income for the year	(4,861,492)	(4,861,492)
Balance at the end of the reporting period-March 31, 2016	(5,433,314)	(5,433,314)
Balance at the beginning of the reporting period-April 1, 2016	(5,433,314)	(5,433,314)
Total Comprehensive income for the year	(2,874,027)	(2,874,027)
Balance at the end of the reporting period-March 31, 2017	(8,307,341)	(8,307,341)

Note No. 11 - Borrowings Non-current

	In Rs.		
	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Secured Borrowings			
Loans from banks	490,000,000	-	-
	<u>490,000,000</u>	<u>-</u>	<u>-</u>

Loans from banks are secured by a hypothecation of current assets of the Company. This loan is repayable by 2023-2024 and carries an interest rate @ 6M MCLR + 0.10%.

Note No. 12 - Other Financial Liabilities - Non-current

	In Rs.		
	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Other Financial Liabilities Measured at Amortised Cost			
Other long term liabilities - Retention Money	30,598,102	15,167,189	7,297,905
	<u>30,598,102</u>	<u>15,167,189</u>	<u>7,297,905</u>

Note No. 13 - Borrowings - Current

	In Rs.		
	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Unsecured Borrowings			
Loans from related parties	22,000,000	25,000,000	211,786,000
	<u>22,000,000</u>	<u>25,000,000</u>	<u>211,786,000</u>

This Loan carries an interest rate @ 9.5% per annum.

Note No. 14 - Trade Payables

	In Rs.		
	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Trade payable for goods & services	6,612,846	47,000	-
	<u>6,612,846</u>	<u>47,000</u>	<u>-</u>

Note No. 15 - Other Current Liabilities

	In Rs.		
	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Statutory dues			
- taxes payable (other than income taxes)	2,528,821	1,740,605	1,315,070
Others			
- Other payables.....	15,869,872	37,188,235	15,693,362
	<u>18,398,693</u>	<u>38,928,840</u>	<u>17,008,432</u>

Note No. 16 - Other Income

	In Rs.	
	Year Ended	Year Ended
	March 31, 2017	March 31, 2016
Interest Income		
On Financial Assets at Amortised Cost.....	30,259	12,082
	<u>30,259</u>	<u>12,082</u>

Note No. 17 - Employee Benefits Expense

	In Rs.	
	Year Ended	Year Ended
	March 31, 2017	March 31, 2016
Salaries and wages, including bonus	339,200	321,858
	<u>339,200</u>	<u>321,858</u>

Note No. 18 - Other Expenses

	In Rs.	
	Year Ended	Year Ended
	March 31, 2017	March 31, 2016
Rates and taxes	215,512	3,488,100
Travelling expenses	210,831	-
Auditors remuneration and out-of-pocket expenses		
As Auditors	75,000	75,000
Other expenses		
Legal and other professional costs	1,771,139	141,198
Director fees	95,000	40,000
Miscellaneous	197,604	807,418
	<u>2,565,086</u>	<u>4,551,716</u>

Note No. 19 - Earnings Per Share

	In Rs.	
	For the year ended	For the year ended
	March 31, 2017	March 31, 2016
Basic and Diluted Earnings per share	(0.06)	(0.34)
Profits used in the calculation of basic earnings per share and diluted earnings per share from continuing operations	(2,874,027)	(4,861,492)
Weighted average number of equity shares	49,678,600	14,199,414
Earnings per share from continuing operations - Basic and Diluted	(0.06)	(0.34)

Note No. 20 - First-time adoption of Ind-AS**First Time Ind AS Adoption reconciliations**

(i) Reconciliation of Total Equity as at 31 March 2016 and 1 April 2015:		
	In Rs.	
	As at	As at
	March 31, 2016	April 1, 2015
Equity as reported under previous GAAP	491,352,686	131,428,178
Ind AS Adjustments	-	-
Equity as reported under IND AS	<u>491,352,686</u>	<u>131,428,178</u>

(ii) Reconciliation of Total Comprehensive Income for the year ended 31 March 2016:

	For the year ended
	March 31, 2016
Profit or Loss as per previous GAAP	(4,861,492)
Total adjustment to profit or loss	-
Profit or Loss under Ind AS	<u>(4,861,492)</u>
Other comprehensive income	-
Total comprehensive income under Ind AS	<u>(4,861,492)</u>

(iii) Material adjustments to the Statement of Cash Flows**Analysis of cash and cash equivalents as at 31 March 2016 and 1 April 2015 for the purpose of Statement of Cash flows under Ind AS**

	As at	As at
	March 31, 2016	April 1, 2015
Cash and cash equivalents for the purpose of Statement of Cash flows as per Previous GAAP	3,341,893	5,269,977
Adjustments	-	-
Cash and cash equivalents for the purpose of Statement of Cash flows as per Ind AS	<u>3,341,893</u>	<u>5,269,977</u>

Note No. 21 - Categories of financial assets and financial liabilities

	In Rs.	
	As at March 31, 2017	
	Amortised Cost	Total
Current Assets		
Cash & Bank balances	11,150,986	11,150,986
Loans	800,002	800,002
Non-current Liabilities		
Borrowings	490,000,000	490,000,000
Other Financial Liabilities		
- Non Derivative Financial Liabilities	30,598,102	30,598,102
Current Liabilities		
Borrowings	22,000,000	22,000,000
Trade Payables	6,612,846	6,612,846

GABLES PROMOTERS PRIVATE LIMITED

	As at March 31, 2016		As at April 1, 2015	
	Amortised Cost	Total	Amortised Cost	Total
Non-current Assets				
Other Financial Assets				
- Non Derivative Financial Assets	1,012,082	1,012,082		
Current Assets				
Cash & Bank balances	2,329,811	2,329,811	5,269,977	5,269,977
Loans	18,605	18,605		
Non-current Liabilities				
Other Financial Liabilities				
- Non Derivative Financial Liabilities	15,167,189	15,167,189	7,297,905	7,297,905
Current Liabilities				
Borrowings	25,000,000	25,000,000	211,786,000	211,786,000
Trade Payables	47,000	47,000		

Note No. 22 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

The fair value of the financial assets and financial liabilities that are not measured at fair value closely approximates the carrying value as disclosed below:

	In Rs.					
	31-Mar-17		31-Mar-16		1-Apr-15	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Loans	800,002	800,002	18,605	18,605	-	-
Others	-	-	1,012,082	1,012,082	-	-
Total	800,002	800,002	1,030,687	1,030,687	-	-
Financial liabilities						
Borrowings	512,000,000	512,000,000	25,000,000	25,000,000	211,786,000	211,786,000
Other long term liabilities	30,598,102	30,598,102	15,167,189	15,167,189	7,297,905	7,297,905
Trade Payables	6,612,846	6,612,846	47,000	47,000	-	-
Total	549,210,948	549,210,948	40,214,189	40,214,189	219,083,905	219,083,905

Note No. 23 - Segment information

The Company did not commence commercial operations during the year ended March 31, 2017. Hence, the disclosure requirement as per Ind AS 108 on Operating Segment would not be applicable to the Company.

Note No. 24 - Related Party Transactions

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

Nature of Relationship	Name of the Related Party
Holding Company	Mahindra Holidays & Resorts India Limite

Key Managerial Personnel

Nivedita Sharma (Company secretary till 31st January 2016)
Nirav Momaya (Company secretary from 1st March 2016)
Preetha T (CFO)
Balamurugan PS (Manager from 1st March 2016)

(ii) Related Party Transactions and balances

Particulars	In Rs.	
	March 31, 2017	March 31, 2016
Holding company		
Transactions during the year :		
ICD received	165,000,000	178,000,000
ICD repaid	168,000,000	-
Interest on ICD	3,698,493	26,951,789

Particulars	In Rs.	
	March 31, 2017	March 31, 2016
Share Capital	-	364,786,000
Manpower deputation	2,510,561	167,933

Key Managerial Personnel

Transactions during the year :

Managerial Remuneration		
Nivedita Sharma	-	130,000

Holding company

Balances as at:

ICD received	22,000,000	25,000,000
Interest accrued on ICD	-	37,016,301
Trade payables	12,675,626	-

Note No. 25 - Capital Work in Progress

	In Rs.	
	March 31, 2017	March 31, 2016
Balance at the beginning of the reporting period	426,700,751	224,293,324
Add: Cost of construction during the year	455,963,987	175,455,636
Interest on loan	23,656,190	26,951,791
Balance at the end of the reporting period ...	906,320,928	426,700,751

Note No. 25(a) - CIF Value of Imports

	In Rs.	
	March 31, 2017	March 31, 2016
Capital Goods	17,029,528	-
	<u>17,029,528</u>	<u>-</u>

Note No. 26 - Capital Commitment

	In Rs.	
	March 31, 2017	March 31, 2016
Estimated amount of Contracts remaining to be executed on capital account and not provided for net of advances	149,556,653	193,173,756
	<u>149,556,653</u>	<u>193,173,756</u>

Note No. 27 - Specified Bank Notes held and transacted

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amounts deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	<u>-</u>	<u>-</u>	<u>-</u>

Note No. 28 - Previous year figures have been regrouped/reclassified to correspond with current year's classification/disclosure, wherever deemed necessary.

In terms of our report attached.**For Vinod Kumar Arora & Associates**

Chartered Accountants
Firm Registration No. 012099N

Vinod Kumar Arora

Proprietor
Membership No. 091264

Place : Chennai
Date : 03/05/2017

For and on behalf of the Board of Directors

Ravindera Nath Khanna
Director

Akhila Balachandar
Director

T. Preetha
CFO

Nirav Momaya
Company Secretary

Place : Chennai
Date : 03/05/2017

Balamurugan PS
Manager

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Company for the financial year ended 31 March 2017

Principal Activity

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

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

Financial Results

	MYR	INR
Net loss for the year	(207,803)	(3,042,237)

Dividends

No dividends were paid or proposed during the financial year under review.

Reserves and Provisions

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

Issue of Shares and Debentures

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

Options

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

Directors

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

Ravindera Nath Khanna

Koh Yeow York

Koh Tong Ngee

Ajay Agarwal (Resigned on 10.04.2017)

Akhila Balachandar (Appointed on 10.04.2017)

Dinesh Shivanna Shetty

Directors' Interest

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

Directors' Benefits

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

No director has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emolument received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company or a related corporation) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 11 to the financial statements.

Auditors' Remuneration

The total amount paid to or receivable by the auditors as remuneration for their services as auditors for the financial year under review, inclusive of all fees, percentages or other payments or consideration given by or from the Company is as disclosed in Note 11 to the financial statements.

Bad and Doubtful Debts

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

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

Current Assets

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

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

Valuation Methods

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

Contingent and Other Liabilities

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

- any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

HERITAGE BIRD (M) SDN. BHD.
Company No – 780072-K
(Incorporated in Malaysia)

HERITAGE BIRD (M) SDN. BHD.
Company No – 780072-K
(Incorporated in Malaysia)

b) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Company to meet its obligations when they fall due.

Change of Circumstances

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

Items of an Unusual Nature

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

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion

of the directors, to affect substantially the results of the operations of the Company for the financial year in which this report is made.

Holding Company

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

Auditors

The auditors, Messrs. Lloyds.Earle.Panicker, Chartered Accountants, have intimated their willingness to continue in office in accordance with Section 267(4) (a) of the Companies Act, 2016.

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

AKHILA BALACHANDAR
Director

RAVINDERA NATH KHANNA
Director

Dated: 3rd May, 2017

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Heritage Bird (M) Sdn. Bhd.**, which comprise the statement of financial position as at 31 March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 22.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2017, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 14 in the financial statements, which indicates that the Company

incurred a net loss of MYR 207,803 during the year ended 31 March 2017 and, as of that date, the Company's current liabilities exceeded its current assets by MYR 4,721,494. As stated in Note 14, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company 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 the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing 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 financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the 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 auditors' report to the related disclosures in the financial statements of the Company 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 auditors' 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 financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we also report that in our opinion, the

accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

1. As stated in Note 3 to the financial statements, Heritage Bird (M) Sdn. Bhd. adopted Malaysian Private Entities Reporting Standard on 1 April 2016 with a transition date of 1 April 2015. These standards were applied retrospectively by the directors to the comparative information in these financial statements, including the statements of financial position of the Company as at 31 March 2016, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Company for the year ended 31 March 2016 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the year ended 31 March 2017, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2016 do not contain misstatements that materially affect the financial position as at 31 March 2017 and the financial performance and cash flows for the year then ended.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

KESAVAN K. PANICKER
761/03/19(J)
Partner of Firm

Place : Kuala Lumpur
Dated : 3 May, 2017

BALANCE SHEET AS AT 31 MARCH, 2017

	Note	F-2017 In MYR	F-2017 In INR	F-2016 In MYR	F-2016 In INR
NON CURRENT ASSETS					
Property, plant and equipment	6	4,055,062	59,366,107	4,150,524	60,763,671
CURRENT ASSETS					
Trade Receivables		–	–	6,615	96,844
Non-Trade Receivables		–	–	47,430	694,375
Cash at Bank		70,251	1,028,475	123,103	1,802,228
		<u>70,251</u>	<u>1,028,475</u>	<u>177,148</u>	<u>2,593,447</u>
CURRENT LIABILITIES					
Trade Payables		–	–	193,431	2,831,830
Non-Trade Payables		104,668	1,532,340	84,671	1,239,583
Amount due to Directors	7	14,000	204,960	14,000	204,960
Amount due to holding company	8	4,673,077	68,413,847	4,488,199	65,707,233
Taxation		–	–	6,000	87,840
		<u>4,791,745</u>	<u>70,151,147</u>	<u>4,786,301</u>	<u>70,071,447</u>
Net Current Liabilities		<u>(4,721,494)</u>	<u>(69,122,672)</u>	<u>(4,609,153)</u>	<u>(67,478,000)</u>
		<u>(666,432)</u>	<u>(9,756,565)</u>	<u>(458,629)</u>	<u>(6,714,329)</u>
FINANCED BY:					
Share Capital	9	300,002	4,392,029	300,002	4,392,029
Accumulated loss		(966,434)	(14,148,595)	(758,631)	(11,106,358)
SHAREHOLDER'S EQUITY		<u>(666,432)</u>	<u>(9,756,565)</u>	<u>(458,629)</u>	<u>(6,714,329)</u>

The notes form an integral part of these Financial statements

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH, 2017

	Note	F-2017 In MYR	F-2017 In INR	F-2016 In MYR	F-2016 In INR
Revenue	10	846,815	12,397,371	905,281	13,253,314
Cost of Sales		290,666	4,255,350	314,213	4,600,078
GROSS PROFIT		556,149	8,142,020	591,068	8,653,236
Administration Expenses		356,866	5,224,518	256,815	3,759,772
Profit from operations	11	199,283	2,917,502	334,253	4,893,464
Finance Charge	12	408,975	5,987,394	408,975	5,987,394
Net Loss before taxation		(209,692)	(3,069,892)	(74,722)	(1,093,930)
Taxation	13	(1,889)	(27,655)	5,100	74,664
Net Loss for the year		(207,803)	(3,042,237)	(79,822)	(1,168,594)

The notes form an integral part of these financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2017

	F-2017 In MYR	F-2017 In INR	F-2016 In MYR	F-2016 In INR
Cashflow from Operating Activities				
Net loss before taxation	(209,692)	(3,069,892)	(74,722)	(1,093,930)
Adjustment:				
Depreciation on property, plant & equipments	99,662	1,459,052	98,822	1,446,754
Operating profit/(loss) before working capital changes	(110,030)	(1,610,840)	24,100	352,824
Changes in receivables	54,045	791,219	198,309	2,903,244
Changes in payables	(173,434)	(2,539,074)	106,533	1,559,643
Cash generated from/(absorbed by) operations	(229,419)	(3,358,695)	328,942	4,815,711
Taxes paid	(4,111)	(60,185)	–	–
Net cash from operating activities	(233,530)	(3,418,880)	328,942	4,815,711
Cashflow from Investing Activities				
Purchase of property, plant and equipment	(4,200)	(61,488)	–	–
Net cash used in investing activities	(4,200)	(61,488)	–	–
Cashflow from Financing Activities				
Amount due to holding company	184,878	2,706,614	(275,636)	(4,035,311)
Net cash used in financing activities	184,878	2,706,614	(275,636)	(4,035,311)
Net Decrease in cash and cash equivalents	(52,852)	(773,753)	53,306	780,400
Cash and cash equivalents brought forward	123,103	1,802,228	69,797	1,021,828
Cash and cash equivalents carried forward	70,251	1,028,475	123,103	1,802,228

The notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2017

	Share Capital In MYR	Accumulated Losses In MYR	Total In MYR
Balance as at 31 st March, 2015	300,002	(678,809)	(378,807)
Loss for the year	–	(79,822)	(79,822)
Balance as at 31 st March, 2016	300,002	(758,631)	(458,629)
Loss for the year	–	(207,803)	(207,803)
Balance as at 31 st March, 2017	<u>300,002</u>	<u>(966,434)</u>	<u>(666,432)</u>

	Share Capital In INR	Accumulated Losses In INR	Total In INR
Balance as at 31 st March, 2015	4,392,029	(9,937,764)	(5,545,734)
Loss for the year	–	(1,168,594)	(1,168,594)
Balance as at 31 st March, 2016	4,392,029	(11,106,358)	(6,714,329)
Loss for the year	–	(3,042,237)	(3,042,237)
Balance as at 31 st March, 2017	<u>4,392,029</u>	<u>(14,148,595)</u>	<u>(9,756,565)</u>

The notes form an integral part of these financial statements.

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH, 2017

	F-2017 In MYR	F-2017 In INR	F-2016 In MYR	F-2016 In INR
REVENUE	846,815	12,397,371	905,281	13,253,314
LESS: COST OF SALES	290,666	4,255,350	314,213	4,600,078
GROSS PROFIT	556,149	8,142,020	591,068	8,653,236
EXPENDITURE				
Administration Expenses				
Audit fee	16,000	234,240	16,000	234,240
Accountancy fee	48,000	702,720	30,000	439,200
Assessment and quit rent	3,312	48,488	6,122	89,626
Astro	15,931	233,230	20,144	294,908
Bank charges	306	4,480	300	4,392
Bad Debts written off	6,615	96,844	-	-
Depreciation	99,662	1,459,052	98,822	1,446,754
Directors fee	14,000	204,960	14,000	204,960
Electricity Charges	37,670	551,489	49,044	718,004
Fine & Penalty	21,054	308,231	2,143	31,374
Forex Loss	840	12,298	-	-
Insurance	2,736	40,055	567	8,301
Printing & stationery	2,081	30,466	2,105	30,817
Professional Fees	12,900	188,856	2,400	35,136
Provision for Doubtful Debt	664	9,721	-	-
Secretarial fees	7,757	113,562	3,820	55,925
Upkeep of premises	10,106	147,952	2,100	30,744
Water Charges	3,851	56,379	9,248	135,391
GST not claimable	53,381	781,498	-	-
	356,866	5,224,518	256,815	3,759,772
	199,283	2,917,502	334,253	4,893,464
FINANCE CHARGE				
Interest on loan	408,975	5,987,394	408,975	5,987,394
NET PROFIT/(LOSS) FOR THE YEAR	(209,692)	(3,069,892)	(74,722)	(1,093,930)
	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH, 2017

1. GENERAL INFORMATION

The Company is a private company, incorporated and domiciled in Malaysia. The registered office is situated at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS 7/26, 47301 Petaling Jaya, Selangor, and its principal place of business is located at No. 138A, Jalan Kasah, Medan Damansara, Damansara Heights, 50490 Kuala Lumpur.

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

The financial statements of the Company are presented in Malaysian Ringgit (MYR).

2. COMPLIANCE WITH FINANCIAL REPORTING STANDARDS AND THE COMPANIES ACT, 2016

The financial statements have been prepared in compliance with the Malaysian Private Entities Reporting Standard (MPERS) issued by the Malaysian Accounting Standards Board (MASB) and the provisions of the Malaysian Companies Act, 2016.

3. TRANSITION TO THE MPERS

For the current year ended 31 March 2017, the Company has adopted the new Malaysian Private Entities Reporting Standard (MPERS).

The date of transition to the new MPERS Framework is 1 April 2016.

Adoption of the new MPERS Framework requires that all the Standards in MPERS be applied to the financial statements for the current year ended 31 March 2017, the comparative financial statements for the year ended 31 March 2016, and to the opening statement of financial position at the date of transition to MPERS. MPERS provides for some mandatory exceptions and non-mandatory exemptions to the retrospective application of some Standards.

There was no material effect on the adoption of the MPERS on the comparative figures.

4. FINANCIAL RISK MANAGEMENT POLICIES

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

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

a) Liquidity and cash flow risks

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

b) Foreign currency risk

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

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

5. ACCOUNTING POLICIES

a) Basis of accounting

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

b) Cash and cash equivalents

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

c) Income tax

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

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

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

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity. In this case the deferred tax is charged or credited directly in equity. When the deferred tax arises from a business combination that is an acquisition, it is included in the resulting goodwill or negative goodwill.

d) Financial instruments

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

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

e) Provisions

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

f) Foreign currency transactions and balances

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

g) Trade receivables

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

h) Property, plant and equipment

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

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

Furniture and fittings	10%
Freehold building	2%

i) Impairment of assets

The carrying values of assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with

their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash-generating unit.

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

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

j) Revenue recognition

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

6. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fittings In MYR	Freehold Building In MYR	Total In MYR
Net Book Value:			
Opening balance	–	4,150,524	4,150,524
Addition	4,200	–	4,200
Depreciation charge	840	98,822	99,662
Closing balance	<u>3,360</u>	<u>4,051,702</u>	<u>4,055,062</u>
As at 31 March 2016			
Cost	50,254	4,941,100	4,991,354
Accumulated depreciation	(50,254)	(790,576)	(840,830)
Net book value	<u>–</u>	<u>4,150,524</u>	<u>4,150,524</u>
As at 31 March 2017			
Cost	54,454	4,941,100	4,995,554
Accumulated depreciation	(51,094)	(889,398)	(940,492)
Net book value	<u>3,360</u>	<u>4,051,702</u>	<u>4,055,062</u>

Included under the cost of property, plant and equipment of the Company are fully depreciated assets which are still in use amounting to MYR 50,254 (INR 735,719) (2016: MYR 50,254 (INR 735,719)).

	Furniture and fittings In INR	Freehold Building In INR	Total In INR
Net Book Value:			
Opening balance	–	60,763,671	60,763,671
Addition	61,488	–	61,488
Depreciation charge	12,298	1,446,754	1,459,052
Closing balance	<u>49,190</u>	<u>59,316,917</u>	<u>59,366,107</u>
As at 31 March 2016			
Cost	735,719	72,337,704	73,073,423
Accumulated depreciation	(735,719)	(11,574,033)	(12,309,752)
Net book value	<u>–</u>	<u>60,763,671</u>	<u>60,763,671</u>
As at 31 March 2017			
Cost	797,207	72,337,704	73,134,911
Accumulated depreciation	(748,016)	(13,020,787)	(13,768,803)
Net book value	<u>49,191</u>	<u>59,316,917</u>	<u>59,366,108</u>

7. AMOUNT DUE TO DIRECTORS

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

8. AMOUNT DUE TO HOLDING COMPANY

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

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

9. SHARE CAPITAL

	2017			2016		
	No of Shares	In MYR	In INR	No of Shares	In MYR	In INR
Authorised ordinary shares of MYR each						
Balance b/f	500,000	500,000	7,320,000	500,000	500,000	7,320,000
Created during the year						
Balance c/f	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u>500,000</u>	<u>500,000</u>	<u>7,320,000</u>	<u>500,000</u>	<u>500,000</u>	<u>7,320,000</u>
Issued and fully paid ordinary shares of MYR 1 each						
Balance b/f	300,002	300,002	4,392,029	300,002	300,002	4,392,029
Issued during the year						
Balance c/f	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u>300,002</u>	<u>300,002</u>	<u>4,392,029</u>	<u>300,002</u>	<u>300,002</u>	<u>4,392,029</u>

10. REVENUE

Revenue represents income from lease rental and rental income receivable.

11. PROFIT FROM OPERATIONS

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

	2017 In MYR	2017 In INR	2016 In MYR	2016 In INR
Audit fee	16,000	234,240	16,000	234,240
Assessment and quit rent	3,312	48,488	6,122	89,626
Depreciation of property, plant and equipment	99,662	1,459,052	98,822	1,446,754
Directors' fee	14,000	204,960	14,000	204,960

12. FINANCIAL CHARGE

	2017 In MYR	2017 In INR	2016 In MYR	2016 In INR
Interest on loan paid to holding company	408,975	5,987,394	408,975	5,987,394

13. TAXATION

	2017 In MYR	2017 In INR	2016 In MYR	2016 In INR
Current year's provision	–	–	5,100	74,664
Over provision in previous year	(1,889)	(27,655)	–	–
	<u>(1,889)</u>	<u>(27,655)</u>	<u>5,100</u>	<u>74,664</u>

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

	2017 In MYR	2017 In INR	2016 In MYR	2016 In INR
Loss before taxation	(209,692)	(3,069,891)	(74,722)	(1,093,930)
Tax at statutory income tax rate of 18%	(37,745)	(552,580)	(14,944)	(218,786)

	2017 In MYR	2017 In INR	2016 In MYR	2016 In INR
Tax effect of expenses that are not deductible for tax purposes	7,508	109,917	1,285	18,812
Deferred tax not recognised in the financial statements	17,940	262,642	18,759	274,632
Overprovision from previous year	(1,889)	(27,655)	–	
Unutilised tax losses	12,297			
	<u>(1,889)</u>	<u>(207,677)</u>	<u>5,100</u>	<u>74,658</u>

14. GOING CONCERN

The Company has incurred a net loss of MYR 207,803 (INR 3,042,237) (2016: MYR 79,822 (INR 1,168,594)) during the year and net current liabilities and deficiency in shareholders' funds amounting to MYR 4,721,494 (INR 69,122,672) (2016: MYR 4,609,153 (INR 67,478,000) and MYR 666,432 (INR 9,756,565) (2016: MYR 458,629 (INR 6,714,329) respectively.

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

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

15. RELATED PARTY TRANSACTIONS

	2017 In MYR	2017 In INR	2016 In MYR	2016 In INR
Revenue	(846,815)	(12,397,372)	(905,281)	(13,253,314)
Interest on Loan	408,975	5,987,394	408,975	5,987,394

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

16. EMPLOYEES

The number of employees of the Company as at 31 March 2017 is NIL. (2016: NIL)

17. COMPARATIVES

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

18. DATE OF AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The Financial Statements were authorised for issue by the board of directors on 03 May 2017.

19. EXCHANGE RATES

Foreign Currency (FC) amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 14.64 = MYR 1, which is the Bloomberg rate as on 31st March 2017.

DIRECTORS' REPORT

The following shall constitute a report of the Board of Directors relating to the activities of the Company during the financial year ended March 31, 2017.

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

Your Company did not have any operations during the year. Your Company made a loss of THB 2,719,288 (INR 5,139,455) for the financial year ended March 31, 2017. Your Company continues to hold 51% of ordinary shares of Infinity Hospitality Group Company Limited.

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

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

For **MH Boutique Hospitality Limited**

Dinesh Shetty
Director

Ravindera Khanna
Director

Dated: April 9, 2017

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MH Boutique Hospitality Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **MH Boutique Hospitality Limited** (the Company), which comprise the statement of financial position as at March 31, 2017, the statement of income and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2017, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of His Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operation, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management 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.

(Mr. Pongteera Chainsakultam)
Certified Public Accountant Registration No. 9387

Cover Biz Company Limited

April 7, 2017

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Notes	Currency : Baht	Currency : INR	Currency : Baht	Currency : INR
		31 Mar 2017	31 Mar 2017	31 Mar 2016	31 Mar 2016
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		62,755	118,607	62,523	118,169
TOTAL CURRENT ASSETS		62,755	118,607	62,523	118,169
NON-CURRENT ASSETS					
Investment in subsidiaries	4	38,000,000	71,820,000	38,000,000	71,820,000
TOTAL NON-CURRENT ASSETS		38,000,000	71,820,000	38,000,000	71,820,000
TOTAL ASSETS		38,062,755	71,938,607	38,062,523	71,938,169
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other payable	5	11,885,622	22,463,826	9,166,192	17,324,103
Other current liabilities		90	170	0	0
TOTAL CURRENT LIABILITIES		11,885,712	22,463,996	9,166,192	17,324,103
NON-CURRENT LIABILITIES					
Long-term loan	6	28,000,000	52,920,000	28,000,000	52,920,000
TOTAL NON-CURRENT LIABILITIES		28,000,000	52,920,000	28,000,000	52,920,000
TOTAL LIABILITIES		39,885,712	75,383,996	37,166,192	70,244,103
SHAREHOLDERS' EQUITY					
Authorized share capital					
51,000 preference shares of Baht 100 each		5,100,000	9,639,000	5,100,000	9,639,000
49,000 ordinary shares of Baht 100 each		4,900,000	9,261,000	4,900,000	9,261,000
Issued and paid-up share capital					
51,000 preference shares of Baht 100 each		5,100,000	9,639,000	5,100,000	9,639,000
49,000 ordinary shares of Baht 100 each		4,900,000	9,261,000	4,900,000	9,261,000
Retained earnings (Deficits)		(11,822,957)	(22,345,389)	(9,103,669)	(17,205,934)
TOTAL SHAREHOLDERS' EQUITY		(1,822,957)	(3,445,389)	896,331	1,694,066
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		38,062,755	71,938,607	38,062,523	71,938,169

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

Director

STATEMENTS OF INCOME FOR THE YEAR ENDED 31 MARCH 2017

		<i>Currency : Baht</i>	<i>Currency : INR</i>	<i>Currency : Baht</i>	<i>Currency : INR</i>
	Notes	31 Mar 2017	31 Mar 2017	31 Mar 2016	31 Mar 2016
REVENUES					
Other income	3	234	442	233	441
TOTAL REVENUES		234	442	233	441
EXPENSES					
Administrative expenses	3	59,522	112,497	46,972	88,778
TOTAL EXPENSES		59,522	112,497	46,972	88,778
EARNINGS BEFORE FINANCIAL COST		(59,288)	(112,055)	(46,739)	(88,337)
Financial costs		2,660,000	5,027,400	2,660,000	5,027,400
NET PROFIT (LOSS)		(2,719,288)	(5,139,455)	(2,706,739)	(5,115,737)

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

Director

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Issued and paid-up share capital			Retained earnings	Total
	Preference	Ordinary	(Deficits)		
	<i>Currency : Baht</i>				
Beginning balance as of 31 March 2015	5,100,000	4,900,000	(6,396,930)	3,603,070	
Changes in shareholders' equity for the period	-	-	-	-	
Net profit (loss) for the period	-	-	(2,706,739)	(2,706,739)	
Ending balance as of 31 March 2016	5,100,000	4,900,000	(9,103,669)	896,331	
Changes in shareholders' equity for the period	-	-	-	-	
Net profit (loss) for the period	-	-	(2,719,288)	(2,719,288)	
Ending balance as of 31 March 2017	5,100,000	4,900,000	(11,822,957)	(1,822,957)	

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

	Issued and paid-up share capital			Retained earnings	Total
	Preference	Ordinary	(Deficits)		
	<i>Currency : INR</i>				
Beginning balance as of 31 March 2015	9,639,000	9,261,000	(12,090,197)	6,809,803	
Changes in shareholders' equity for the period	-	-	-	-	
Net profit (loss) for the period	-	-	(5,115,737)	(5,115,737)	
Ending balance as of 31 March 2016	9,639,000	9,261,000	(17,205,934)	1,694,066	
Changes in shareholders' equity for the period	-	-	-	-	
Net profit (loss) for the period	-	-	(5,139,455)	(5,139,455)	
Ending balance as of 31 March 2017	9,639,000	9,261,000	(22,345,389)	(3,445,389)	

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

Director

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2017**1. GENERAL INFORMATION****Company status**

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

Place of company

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

Business and operation

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

2. BASIC OF FINANCIAL STATEMENT PREPARATION

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

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

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

5. TRADE AND OTHER PAYABLES

Consist of:

Accrued Interest expenses - Related parties (Note 6)

Accrued Interest expenses for withholding tax

Accrued expenses

Other payable - Related parties (Note 6)

Total

3. SUMMARIZED SIGNIFICANT ACCOUNTING POLICIES**3.1 Cash and cash equivalents**

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

3.2 Investment

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

3.3 Revenue and expenses recognition

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

4. INVESTMENT IN SUBSIDIARIES

On November 5, 2012, the company invested in 51% of Infinity Hospitality Company Limited as a subsidiary company, which had authorised capital of Baht 150 million divided into 15,00,000 Ordinary shares at a par value of Baht 100.

Details of the company's subsidiaries, as at 31 March, 2017 are as follows:

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

	<i>Currency : Baht</i>	<i>Currency : INR</i>	<i>Currency : Baht</i>	<i>Currency : INR</i>
	31 Mar 2017	31 Mar 2017	31 Mar 2016	31 Mar 2016
	9,930,143	18,767,970	7,669,143	14,494,680
	1,752,378	3,311,995	1,353,378	2,557,885
	23,210	43,867	23,210	43,867
	179,891	339,994	120,461	227,671
Total	11,885,622	22,463,826	9,166,192	17,324,103

Director

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2017

6. RELATED PARTIES TRANSACTIONS

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

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

Relationship with related parties were as follows:

Name of entities	Country of incorporation/nationality	Nature of relationships
Mahindra Holidays & Resorts India Limited	India	49% shareholder

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

Transactions	Pricing policies
Interest charged	Contractually agreed rate

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

	Currency : Baht	Currency : INR	Currency : Baht	Currency : INR
	31 Mar 2017	31 Mar 2017	31 Mar 2016	31 Mar 2016
Expenses				
Mahindra Holidays & Resorts India Limited	2,660,000	5,027,400	2,660,000	5,027,400
Payable				
Mahindra Holidays & Resorts India Limited	9,930,143	18,767,970	7,669,143	14,494,680

	Currency : Baht	Currency : INR	Currency : Baht	Currency : INR
	31 Mar 2017	31 Mar 2017	31 Mar 2016	31 Mar 2016
Infinity Hospitality Group Co., Ltd.	179,891	339,994	120,461	227,671
Loan from related parties				
Mahindra Holidays & Resorts India Limited	28,000,000	52,920,000	28,000,000	52,920,000
Interest Rate	9.50%	9.50%	9.50%	9.50%

7. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the 2016 financial statements have been reclassified to conform to the presentation in the 2017 financial statements. The significant reclassifications were as follows:

	Currency : Baht		
	BeforeReclass.	Reclass.	After Reclass.
Statements of financial position			
Short-term loan	–	28000000	28000000
Long-term loan	28000000	(28000000)	–
			Currency : INR
	BeforeReclass.	Reclass.	After Reclass
Statements of financial position			
Short-term loan	0	52920000	52920000
Long-term loan	52920000	(52920000)	0

8. APPROVAL OF FINANCIAL STATEMENT

These financial statements were authorised for issue by company's authorised director on April 7, 2017.

9. FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 1.89 = THB 1 which is the Bloomberg rate as on 31st March 2017.

Director

DIRECTORS' REPORT

The following shall constitute a report of the Board of Directors relating to the activities of the Company during the financial year ended March 31, 2017.

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

Your Company has a hotel property in Bangkok, which was fully operational during the year. Further, the Company has earned a revenue of THB 42,003,460 (INR 79,386,539) as against THB 43,340,954 (INR 81,914,403) for previous year. Your Company made a loss of THB 4,567,715.62 (INR 8,632,983) for the year ended March 31, 2017.

During the year, your Company has partly repaid an amount of THB 6,50,00,000 towards the loan obtained from Mahindra Holidays & Resorts India Limited. As on March 31, 2017 an amount of THB 72,00,00,000 remains outstanding.

Further, your Company has obtained a 5 year Secured Committed Term Loan Facility from the Hongkong and

Shanghai Banking Corporation Limited, Bangkok Branch for an amount of THB 162 Million. In order to avail this facility, the Company has obtained a Corporate Guarantee from Mahindra Holidays & Resorts India Limited.

As at March 31, 2017, Mr. Dinesh Shetty, Mr. Ravindera Khanna, Mr. Ajay Agrawal and Mr. Vishant Potri are the Directors of the Company.

For **Infinity Hospitality Group Company Limited**

Vishant Potri
Director

Ravindera Khanna
Director

Dated: April 7, 2017

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Infinity Hospitality Group Company Limited** (the Company), which comprise the statement of financial position as at March 31, 2017, the statement of income and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2017, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Thai Standards

on Auditing 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 financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management 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.

(Mr. Pongteera Chainsakultam)

Certified Public Accountant Registration No. 9387

Cover Biz Company Limited

April 7, 2017

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017**

		ASSETS			
		2017		2016	
Notes	Currency: Baht	Currency: INR	Currency: Baht	Currency: INR	
CURRENT ASSETS					
	Cash and cash equivalents	2,690,577	5,085,191	3,272,159	6,184,381
	Temporary investment.....	-	-	419,176	792,243
4	Trade and other receivables	1,548,465	2,926,599	23,104,690	43,667,864
5	Inventory	324,682	613,649	383,979	725,720
	Other current assets.....	420,701	795,124	530,280	1,002,229
	TOTAL CURRENT ASSETS	4,984,425	9,420,564	27,710,285	52,372,438
NON-CURRENT ASSETS					
6	Property, plant and equipment – net.....	177,877,006	336,187,541	183,483,340	346,783,513
7	Intangible assets – net.....	163,825	309,630	118,537	224,036
	Other non-current assets	402,674	761,054	395,000	746,550
	TOTAL NON-CURRENT ASSETS	178,443,505	337,258,224	183,996,878	347,754,099
	TOTAL ASSETS	183,427,930	346,678,788	211,707,162	400,126,537

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

Director

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017 (Contd)**

LIABILITIES AND SHAREHOLDERS' EQUITY					
	Notes	2017	2017	2016	2016
		Currency: Baht	Currency: INR	Currency: Baht	Currency: INR
CURRENT LIABILITIES					
Trade and other payable.....	8	3,128,362	5,912,605	31,175,925	58,922,498
Current portion of Long-term borrowings....	11	7,000,000	13,230,000	–	–
Short-terms borrowing from related parties.....	10	72,000,000	136,080,000	137,000,000	258,930,000
Other current liabilities	9	972,046	1,837,166	1,636,000	3,092,040
TOTAL CURRENT LIABILITIES.....		83,100,408	157,059,771	169,811,925	320,944,538
NON-CURRENT LIABILITIES					
Long-term loan	11	63,000,000	119,070,000	–	–
TOTAL NON-CURRENT LIABILITIES		63,000,000	119,070,000	–	–
TOTAL LIABILITIES.....		146,100,408	276,129,771	169,811,925	320,944,538
SHAREHOLDERS' EQUITY					
Authorized share capital					
1,500,000 ordinary shares of Baht 100 each		150,000,000	283,500,000	150,000,000	283,500,000
Issued and paid-up share capital					
1,500,000 ordinary shares of Baht 100 each.....		150,000,000	283,500,000	150,000,000	283,500,000
Retained earnings (Deficits).....		(112,672,478)	(212,950,983)	(108,104,762)	(204,318,001)
TOTAL SHAREHOLDERS' EQUITY		37,327,522	70,549,017	41,895,237.73	79,181,999.31
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		183,427,930	346,678,788	211,707,162	400,126,537

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

Director

**PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017		2016	
		Currency: Baht	Currency: INR	Currency: Baht	Currency: INR
REVENUES	3				
Revenue from rent and services.....		42,003,460	79,386,539	43,340,954	81,914,403
Other income.....		46,405	87,706	106,595	201,464
TOTAL REVENUES		42,049,865	79,474,245	43,447,549	82,115,867
EXPENSES	3				
Cost of rent and services.....		19,899,005	37,609,120	18,650,360	35,249,180
Selling expenses		2,810,981	5,312,754	2,448,626	4,627,902
Administrative expenses		10,892,749	20,587,296	8,847,734	16,722,218
TOTAL EXPENSES		33,602,735	63,509,170	29,946,720	56,599,300
EARNINGS BEFORE FINANCIAL COST		8,447,130	15,965,075	13,500,829	25,516,567
Financial costs.....		(13,014,845)	(24,598,058)	(13,015,000)	(24,598,350)
EARNINGS BEFORE CORPORATE INCOME TAX		(4,567,716)	(8,632,983)	485,829	918,217
NET PROFIT (LOSS)		(4,567,716)	(8,632,983)	485,829	918,217

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

Director

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Currency: Baht		
Notes	Issued and paid-up share capital	Retained earnings (Deficits)	Total
Beginning balance as of 31 March 2015	150,000,000	(108,590,591)	41,409,409
Balance after correction	150,000,000	(108,590,591)	41,409,409
Changes in shareholders' equity for the period			
Net profit (loss) for the period	–	485,829	485,829
Ending balance as of 31 March 2016	150,000,000	(108,104,762)	41,895,238
Cumulative effect of accounting change.....	–	–	–
Balance after correction	150,000,000	(108,104,762)	41,895,237.73
Changes in shareholders' equity for the period			
Net profit (loss) for the period	–	(4,567,716)	(4,567,716)
Ending balance as of 31 March 2017	150,000,000	(112,672,478)	37,327,522

	Currency: INR		
Notes	Issued and paid-up share capital	Retained earnings (Deficits)	Total
Beginning balance as of 31 March 2015	283,500,000	(205,236,217)	78,263,783
Balance after correction	283,500,000	(205,236,217)	301,884
Changes in shareholders' equity for the period			
Net profit (loss) for the period	–	918,216	918,216
Ending balance as of 31 March 2016	283,500,000	(204,318,001)	1,220,100
Cumulative effect of accounting change.....	–	–	–
Balance after correction	283,500,000	(204,318,001)	79,181,999.31
Changes in shareholders' equity for the period			
Net profit (loss) for the period	–	(8,632,983)	324,682
Ending balance as of 31 March 2017	283,500,000	(212,950,983)	70,549,017

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

Director

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2017

1 GENERAL INFORMATION

Company status

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

Place of company

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

Business and operation

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

2 BASIC OF FINANCIAL STATEMENT PREPARATION

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

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

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

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

3 SUMMARIZED SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

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

3.2 Inventories

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

3.3 Property, plant and equipment

Land are stated at cost, Building and Equipment are stated at cost less accumulated depreciation. Depreciation is calculated by a straight-line method over their estimated useful life as follows:

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

3.4 Intangible assets

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

	Year life	
Computer software	5	Years

3.5 Employee benefits

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

3.6 Provisions and contingent liabilities

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

3.7 Revenue and expenses recognition

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

3.8 Income tax expense

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

4 TRADE AND OTHER RECEIVABLES

Consist of:

	2017	2017	2016	2016
	Currency: Baht	Currency: INR	Currency: Baht	Currency: INR
Accounts Receivable - Trade	259,371	490,211	589,274	1,113,728
Accrued income - related parties (Note 10)	807,320	1,525,834	22,140,459	41,845,467
Other account receivables - related parties (Note 10)	179,891	339,994	120,461	227,671
Prepaid expenses	301,884	570,560	254,496	480,998
Total	1,548,466	2,926,599	23,104,690	43,667,864

5 INVENTORY

Consist of:

	2017	2017	2016	2016
	Currency: Baht	Currency: INR	Currency: Baht	Currency: INR
Finished Goods	324,682	613,649	383,979	725,720
Total	324,682	613,649	383,979	725,720

Director

6 PROPERTY, PLANT AND EQUIPMENT

Currency : Baht

Consist of:	Land	Building	Improvement & Decoration	Furniture Fixture & Equipment	General Equipment	Computer	Vehicles	Total
Cost								
As at 31 March 2016	114,770,000	108,968,618	4,547,969	844,798	2,466,898	570,381	175,000	232,343,664
Acquisitions	-	-	60,000	217,000	105,276	79,630	-	461,906
Disposals	-	-	-	-	(9,000)	-	-	(9,000)
Adjustment/Reclassification	-	-	-	-	-	-	-	-
As at 31 March 2017	114,770,000	108,968,618	4,607,969	1,061,798	2,563,174	650,011	175,000	232,796,571
Accumulated depreciation								
As at 31 March 2016	-	44,195,956	1,847,320	332,351	1,906,121	403,577	174,999	48,860,324
Depreciation for the period	-	5,448,431	139,616	204,554	207,809	63,707	-	6,064,116
Depreciation on disposals	-	-	-	-	(4,875)	-	-	(4,875)
Adjustment/Reclassification	-	-	-	-	-	-	-	-
As at 31 March 2017	-	49,644,387	1,986,936	536,906	2,109,054	467,284	174,999	54,919,565
Net book value								
As at 31 March 2016	114,770,000	64,772,662	2,700,649	512,447	560,777	166,803	1	183,483,340
As at 31 March 2017	114,770,000	59,324,232	2,621,033	524,893	454,121	182,727	1	177,877,006
Depreciation for the year								
For the year ended 31st March 2016 (Included in cost and administrative expenses)								5,866,984
For the year ended 31st March 2017 (Included in cost and administrative expenses)								6,064,116

Currency : INR

Consist of:	Land	Building	Improvement & Decoration	Furniture Fixture & Equipment	General Equipment	Computer	Vehicles	Total
Cost								
As at 31 March 2016	216,915,300	205,950,688	8,595,661	1,596,669	4,662,437	1,078,020	330,750	439,129,525
Acquisitions	-	-	113,400	410,130	198,972	150,501	-	873,003
Disposals	-	-	-	-	17,010.00	-	-	17,010.00
Adjustment/Reclassification	-	-	0	0	0	0	-	0
As at 31 March 2017	216,915,300	205,950,688	8,709,061	2,006,799	4,844,400	1,228,520	330,750	439,985,518
Accumulated depreciation								
As at 31 March 2016	-	83,530,357	3,491,434	628,144	3,602,568	762,761	330,748	92,346,012
Depreciation for the period	-	10,297,534	263,874	386,608	392,758	120,405	-	11,461,180
Depreciation on disposals	-	-	-	-	9,214.68	-	-	9,214.68
Adjustment/Reclassification	-	-	0	0	0	-	-	0
As at 31 March 2017	-	93,827,891	3,755,309	1,014,751	3,986,112	883,166	330,748	103,797,977
Net book value								
As at 31 March 2016	216,915,300	122,420,332	5,104,226	968,525	1,059,869	315,259	1.89	346,783,513
As at 31 March 2017	216,915,300	112,122,798	4,953,752	992,048	858,288	345,354	1.89	336,187,541
Depreciation for the year								
For the year ended 31st March 2016 (Included in cost and administrative expenses)								11,088,600
For the year ended 31st March 2017 (Included in cost and administrative expenses)								11,461,180

Security

At 31 March 2017, the company's properties, all land and buildings, with a net book value of Baht 174.09 Million were subjected to secure loans from a financial institution (see Note 11).

Director

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2017 (Contd)

7 INTANGIBLE ASSETS

Consist of:	Currency: Baht	
	Computer software	Total
Cost		
As at 31 March 2016	648,134	648,134
Acquisitions	105,999	105,999
Disposals	-	-
Adjustment/Reclassification	-	-
As at 31 March 2017	754,133	754,133
Accumulated amortisation		
As at 31 March 2016	529,597	529,597
Amortisation for the period	60,711	60,711
Depreciation on disposals	-	-
Adjustment/Reclassification	-	-
As at 31 March 2017	590,308	590,308
Net book value		
As at 31 March 2016	118,537	118,537
As at 31 March 2017	163,825	163,825
Amortisation for the period		
For the year ended 31 March 2016 (Included in cost and administrative expenses)		41,684
For the year ended 31 March 2017 (Included in cost and administrative expenses)		60,711

Consist of:	Currency: INR	
	Computer software	Total
Cost		
As at 1 April 2016	1,224,973	1,224,973
Acquisitions	200,338	200,338
Disposals	-	-
Adjustment/Reclassification	-	-
As at 31 March 2017	1,425,311	1,425,311
Accumulated amortisation		
As at 1 April 2016	1,000,938	1,000,938
Amortisation for the period	114,744	114,744
Depreciation on disposals	-	-
Adjustment/Reclassification	-	-
As at 31 March 2017	1,115,681	1,115,681
Net book value		
As at 1 April 2016	224,036	224,036
As at 31 March 2017	309,630	309,630
Amortisation for the period		
For the year ended 31 March 2016 (Included in cost and administrative expenses)		78,782
For the year ended 31 March 2017 (Included in cost and administrative expenses)		114,744

8 TRADE AND OTHER PAYABLES

Consist of:	2017	2017	2016	2016
	Currency: Baht	Currency: INR	Currency: Baht	Currency: INR
Trade payables	1,267,873	2,396,280	1,419,624	2,683,089
Advance received	10,715	20,251	11,869	22,433
Accrued interest expenses - related parties (Note 10)	882,055	1,667,085	24,853,300	46,972,738
Accrued interest expenses for withholding tax	155,657	294,191	4,385,877	8,289,307
Accrued service charge	206,273	389,855	197,782	373,808
Accrued expenses	538,272	1,017,334	307,473	581,124
Accrued interest expenses- others	67,517	127,607	-	-
Total	3,128,362	5,912,605	31,175,925	58,922,498

9 OTHER CURRENT LIABILITIES

Consist of:	2017	2017	2016	2016
	Currency: Baht	Currency: INR	Currency: Baht	Currency: INR
Unrealised output tax	67,801	128,144	1,486,407	2,809,308
Value added tax payable	190,492	360,030	83,839	158,455
Withholding tax payable	663,586	1,254,178	17,917	33,862
Social Security tax payable	50,166	94,814	47,838	90,414
Total	972,046	1,837,166	1,636,000	3,092,040

10 RELATED PARTIES TRANSACTIONS

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

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

Relationship with related parties were as follows:

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

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

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

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

	<u>2017</u> Currency: <u>Baht</u>	<u>2017</u> Currency: <u>INR</u>	2016 Currency: Baht	2016 Currency: INR
Income				
Mahindra Holidays & Resorts India Limited (Included VAT 7%)	21,593,562	40,811,832	22,129,071	41,823,945
Expenses				
Mahindra Holidays & Resorts India Limited	12,947,328	24,470,451	13,015,000	24,598,350
Receivable				
Mahindra Holidays & Resorts India Limited	807,320	1,525,834	22,140,459	41,845,467
MH Botique Co., Ltd.	179,891	339,994	120,461	227,671
Payable				
Mahindra Holidays & Resorts India Limited	882,055	1,667,085	24,853,300	46,972,738
Loan from related parties				
Mahindra Holidays & Resorts India Limited	72,000,000	136,080,000	137,000,000	258,930,000
Interest rate	9.5%	9.5%	9.5%	9.5%

11 LONG-TERM BORROWING

On February 6, 2017, the Company has entered into 5-Year Secured Committed Term Loan Facility of Baht 162,000,000 Facility Agreement with a financial institution. The rate of interest on each Loan for each interest period is the rate of the sum of BIBOR plus 2.10 percent per annum. Details of Loan are as follows:

	<u>2017</u> Currency: <u>Baht</u>	<u>2017</u> Currency: <u>INR</u>	2016 Currency: Baht	2016 Currency: INR
Consist of:				
Long-term loan	70,000,000	132,300,000	-	-
Less Current portion of Long-term borrowings	(7,000,000)	(13,230,000)	-	-
Net Long-term loan	63,000,000	119,070,000	-	-

Change of long-term loan for the years ended March 31, 2017 are as follows:

	Currency: <u>Baht</u>	Currency: <u>INR</u>
Balance as of April 1, 2016		
Add Loan received	70,000,000	132,300,000
Less Repayment	-	-
Balance as of March 31, 2017	70,000,000	132,300,000

The Company shall repay the loan in the amount in accordance with the repayment schedule and all outstanding loans shall be repaid in full no later than the final repayment date as followed:

No.	Month	Currency: Million Baht		Currency: Million INR	
		Repayment	Outstanding Amount	Repayment	Outstanding Amount
1	6th	3.5	158.50	6.615	299.57
2	12th	3.5	155.00	6.615	292.95
3	18th	3.5	151.50	6.615	286.34
4	24th	3.5	148.00	6.615	279.72
5	30th	3.5	144.50	6.615	273.11
6	36th	3.5	141.00	6.615	266.49
7	42th	3.5	137.50	6.615	259.88
8	48th	3.5	134.00	6.615	253.26
9	54th	3.5	130.50	6.615	246.65
10	60th	130.5	-	246.645	-

12 RECLASSIFICATION OF ACCOUNTS

Certain accounts in the 2016 financial statements have been reclassified to conform to the presentation in the 2017 financial statements. The significant reclassifications were as follows:

	Before Reclass	Reclass	After Reclass
Currency :Baht			
Statement of financial positions			
Short-term loan		137,000,000	137,000,000
Long-term loan	137,000,000	(137,000,000)	
Currency :INR			
Statement of financial positions			
Short-term loan		258,930,000	258,930,000
Long-term loan	258,930,000	(258,930,000)	

13 APPROVAL OF FINANCIAL STATEMENT

These financial statement were authorized for issue by company's authorized director on April 7, 2017.

- 14 FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 1.89 = THB 1 which is the Bloomberg rate as on 31st March 2017.

Director

COMMENTARY OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2017

The directors present the audited financial statements of MHR Holdings (Mauritius) Ltd, the "Company", for the year ended 31 March 2017.

PRINCIPAL ACTIVITY

The principal activity of the Company is to hold investments.

RESULTS

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

DIRECTORS

The present membership of the board is set out herein:

Zakir Hussein Niamut
Teemulsingh Luchowa
Dinesh Shivanna Shetty
Pravesh Beeharry
Akhila Balachandar

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

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

AUDITORS

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

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

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of **MHR Holdings (Mauritius) Ltd** under the Mauritius Companies Act 2001 for the year ended 31 March 2017.

For International Financial Services Limited
Secretary

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

Date: 11 May 2017

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MHR Holdings (Mauritius) Ltd, the "Company", which comprise the statement of financial position as at 31 March 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements on pages 9 to 34 herein give a true and fair view of the financial position of the Company as at 31 March 2017 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Category 1 Global Business Licence and in compliance with the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 19 in the financial statements which indicates that the Company had accumulated losses of EUR 1,955,359 (INR 135,428,164) during the year ended 31 March 2017 and, as of that date, the Company had a net liability of EUR 1,810,359 (INR 125,385,464). As stated in Note 19, these conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The shareholder has undertaken to provide financial support to ensure continuation of the Company's operations. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon ("Other Information")

Management is responsible for the Other Information. The Other Information comprises the information included under the Corporate Data and Commentary of Directors section, but does not include the financial statements and our auditors' report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Category I Global Business Licence and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 International Standards on Auditing 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 financial statements.

As part of an audit in accordance with International Standards of Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 auditors' report to the related disclosures in the 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 auditors' 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 financial statements, including the disclosures, and whether the 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.

Report on Other Legal and Regulatory Requirements

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

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

Other Matter

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

Grant Thornton
Chartered Accountants

K RAMCHURUN, FCCA
Licensed by FRC

Date: 11 May, 2017

Ebene 72201, Republic of Mauritius

STATEMENT OF COMPREHENSIVE INCOME

	Notes	For the period	For the period	For the period	For the period
		from 01/04/16 to 31/03/2017	from 01/04/16 to 31/03/2017	from 01/04/15 to 31/03/2016	from 01/04/15 to 31/03/2016
		EUR	INR	EUR	INR
INCOME					
Total Income		-	-	-	-
EXPENDITURE					
Professional fees	14	28,179	1,951,678	24,105	1,669,512
Audit fees		4,248	294,216	4,751	329,054
Bank charges.....		2,393	165,739	1,825	126,400
Licence fees.....		2,466	170,795	1,439	99,665
Legal fees.....		2,746	190,188	-	-
Total Expenses		40,032	2,772,616	32,120	2,224,631
OPERATING LOSS		(40,032)	(2,772,616)	(32,120)	(2,224,631)
Finance income	10	777,481	53,848,334	434,935	30,123,598
Finance costs.....	10	(1,466,508)	(101,570,344)	(1,469,241)	(101,759,632)
LOSS BEFORE TAX		(729,059)	(50,494,626)	(1,066,426)	(73,860,665)
Tax Expense.....	8	-	-	-	-
LOSS FOR THE YEAR/PERIOD		(729,059)	(50,494,626)	(1,066,426)	(73,860,665)
OTHER COMPREHENSIVE INCOME					
Items that will not be classified subsequently to profit or loss		-	-	-	-
Items that will be classified subsequently to profit or loss.....		-	-	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR/PERIOD, NET OF TAX		-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD		(729,059)	(50,494,626)	(1,066,426)	(73,860,665)

STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 March 17 EUR	As at 31 March 17 INR	As at 31 March 16 EUR	As at 31 March 16 INR
ASSETS					
Non-Current					
Investment in subsidiary.....	9	23,182,500	1,605,619,950	23,182,500	1,605,619,950
Loans.....	11	11,327,518	784,543,897	16,987,170	1,176,531,394
Non-Current Assets		34,510,018	2,390,163,847	40,169,670	2,782,151,344
Current					
Loans.....	11	16,907,263	1,170,997,035	3,774,685	261,434,683
Prepayments.....		2,512	173,981	2,989	207,018
Cash and cash equivalents.....		61,807	4,280,753	105,746	7,323,967
Current Assets		16,971,582	1,175,451,769	3,883,420	268,965,669
TOTAL ASSETS		51,481,600	3,565,615,616	44,053,090	3,051,117,013
EQUITY AND LIABILITIES					
Equity					
Stated capital.....	16	145,000	10,042,700	145,000	10,042,700
Accumulated losses/loss for the period		(1,955,359)	(135,428,164)	(1,226,300)	(84,933,538)
Total Equity		(1,810,359)	(125,385,464)	(1,081,300)	(74,890,838)
Liabilities					
Non-current					
Borrowings.....	12	52,259,785	3,619,512,709	44,060,810	3,051,651,700
Derivative financial instrument	13	413,915	28,667,753	492,508	34,111,104
Non current Liabilities		52,673,700	3,648,180,462	44,553,318	3,085,762,805
Current					
Borrowings.....	12	112,393	7,784,339	350,504	24,275,907
Accruals		505,866	35,036,279	230,568	15,969,139
Current Liabilities		618,259	42,820,618	581,072	40,245,047
Total Liabilities		53,291,959	3,691,001,080	45,134,390	3,126,007,851
TOTAL EQUITY AND LIABILITIES		51,481,600	3,565,615,616	44,053,090	3,051,117,013

Approved by the Board of Directors on 11 May 2017 and signed on its behalf by:

Director

Director

The notes on pages herein form an integral part of these financial statements.

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

	Stated capital	Accumulated loss	Total
	EUR	EUR	EUR
At 01 April 2015	145,000	(159,874)	(14,874)
Loss for the period	–	(1,066,426)	(1,066,426)
Other comprehensive income.....	–	–	–
Total comprehensive loss for the period	–	(1,066,426)	(1,066,426)
At 31 March 2016	145,000	(1,226,300)	(1,081,300)
At 01 April 2016	145,000	(1,226,300)	(1,081,300)
Loss for the year.....	–	(729,059)	(729,059)
Other comprehensive income	–	–	–
Total comprehensive loss for the year	–	(729,059)	(729,059)
At 31 March 2017	145,000	(1,955,359)	(1,810,359)

	Stated capital	Accumulated loss	Total
	INR	INR	INR
Issue of shares	10,042,700	(11,072,873)	(1,030,173)
Loss for the period	–	(73,860,665)	(73,860,665)
Other comprehensive income.....	–	–	–
Total comprehensive loss for the period	–	(73,860,665)	(73,860,665)
At 31 March 2016	10,042,700	(84,933,538)	(74,890,838)
At 01 April 2016	10,042,700	(84,933,538)	(74,890,838)
Loss for the year.....	–	(50,494,626)	(50,494,626)
Other comprehensive income.....	–	–	–
Total comprehensive loss for the year	–	(50,494,626)	(50,494,626)
At 31 March 2017	10,042,700	(135,428,164)	(125,385,464)

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

	2017	2017	2016	2016
	EUR	INR	EUR	INR
Operating activities				
Loss before tax	(729,059)	(50,494,626)	(1,066,426)	(73,860,665)
<i>Adjustments for:</i>				
Interest income	(698,889)	(48,405,052)	(434,935)	(30,123,598)
Interest expense	876,260	60,689,767	649,528	44,986,309
Amortisation of transaction costs.....	143,222	9,919,555	122,298	8,470,359
Loss on interest rate swaps	169,594	11,746,080	19,545	1,353,686
Fair value adjustment – Derivative financial instrument.....	(78,592)	(5,443,281)	492,508	34,111,104
	(317,464)	(21,987,557)	(217,482)	(15,062,803)
<i>Changes in working capital:</i>				
Increase in prepayments.....	477	33,037	(1,701)	(117,811)
Increase in accruals.....	275,298	19,067,139	186,402	12,910,202
Net cash used in operations	(41,689)	(2,887,380)	(32,781)	(2,270,412)
Interest received	791,962	54,851,288	85,000	5,887,100
Interest paid	(994,512)	(68,879,901)	(643,131)	(44,543,253)
Net cash used in operating activities	(244,239)	(16,915,993)	(590,912)	(40,926,565)
Investing activities				
Investments in subsidiary.....	–	–	16,000,000	1,108,160,000
Net cash used in investing activities	–	–	16,000,000	1,108,160,000
Financing activities				
Loans received	7,766,300	537,893,938	37,338,511	2,586,065,272
Loans repaid	–	–	(4,000,000)	(277,040,000)
Loans to subsidiary	(7,750,000)	(536,765,000)	(16,700,000)	(1,156,642,000)
Loans repaid by subsidiary.....	184,000	12,743,840	–	–
Net cash from financing activities	200,300	13,872,778	16,638,511	1,152,383,272
Net change in cash and cash equivalents	(43,939)	(3,043,215)	47,599	3,296,707
Cash and cash equivalents at beginning of year/period	105,746	7,323,968	58,147	4,027,261
Cash and cash equivalents at end of year/period	61,807	4,280,753	105,746	7,323,968

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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

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

The principal activity of the Company is to hold investments.

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

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

2.1 New and revised standards that are effective for the annual year beginning on 01 April 2016

In the current year, the Company has applied the following new and revised standards issued by the International Accounting Standards Board ("IASB") that are mandatory for the first time for the financial year beginning on 01 April 2016:

IAS 1	Disclosure initiative (Amendments to IAS 1)
IFRS 10, IFRS 12 and	Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)
IAS 28 IAS 27	Equity Method in Separate Financial Statements (Amendments to IAS 27)
IAS 16 and IAS 41 IAS 16 and	Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41) Clarification of Acceptable Methods of Depreciation and Amortisations (Amendments to IAS 16 and IAS 38)
IAS 38 IFRS 11	Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)
IFRS 14 Various	Regulatory Deferral Accounts Annual Improvements to IFRSs 2012-2014 Cycle

The directors have assessed the impact of these revised standards and amendments and concluded that only IAS 1, Disclosure Initiative (Amendments to IAS 1) has an impact on the disclosure of these financial statements.

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

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

IFRS 16	Leases
IAS 40	Transfers of Investment Property (Amendments to IAS 40)
IFRIC 22	Foreign Currency Transactions and Advance Consideration Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)
IFRS 4	Financial Instruments (2014)
IFRS 9	Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)
IFRS 15	Revenue from Contracts with Customers
IAS 7	Disclosure Initiative (Amendments to IAS 7)
IAS 12	Recognition of Deferred Tax Asset for Unrealised Losses (Amendments to IAS 12)

IFRS for SMEs Amendments to the International Financial Reporting Standard for Small and Medium Sized Entities

IFRS 4/IFRS 12 and IAS 28 Annual Improvements to IFRSs 2014-2016

The company has yet to assess the impact of the above Standards, Amendments and Interpretations on the Company's financial Statements

3 SUMMARY OF ACCOUNTING POLICIES

3.1 Overall considerations

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

3.2 Revenue

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

3.3 Expenses

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

3.4 Taxation

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

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

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

3.5 Financial instruments

Recognition, initial measurement and derecognition

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

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

Classification and subsequent measurement of financial assets

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

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

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted

where the effect of discounting is immaterial. The Company's cash and cash equivalents and loans fall into this category of financial instruments.

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

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities consist of borrowings, accruals and derivative financial instruments (Note 3.15).

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

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

Offsetting financial instruments

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

3.6 Consolidated financial statements

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

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

3.7 Investment in subsidiary

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

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

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

3.8 Cash and cash equivalents

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

3.9 Equity

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

Accumulated Losses includes current and prior year's results as disclosed in the statement of comprehensive income.

3.10 Provisions

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

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

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

3.11 Related parties

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

3.12 Foreign currency translation

Functional and presentation currency

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

Foreign currency transactions and balances

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

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

3.13 Impairment of assets

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

3.14 Borrowings

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

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

3.15 Derivative financial instruments

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

3.16 Comparatives

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

4 SIGNIFICANT MANAGEMENT JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

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

Significant management judgement

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

Determination of functional currency

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

Going concern assumption

The directors have exercised significant judgement in assessing that the preparation of these financial statements on a going concern basis is appropriate. In making this assessment, the directors have considered the company's future business projects, future cash flows and future profitability.

Estimation uncertainty

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

Impairment of investments in subsidiary

In assessing impairment, management estimates the recoverable amount of each asset based on expected future cash flows and uses an interest

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

Impairment of loans to subsidiary

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

Fair value of derivative financial instruments

The fair value of the derivative financial instruments is determined based on valuation performed by an independent valuer. The assumptions used to value the derivative financial instruments are given in Note 6. In applying the valuation techniques the independent valuer makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument.

5 FINANCIAL INSTRUMENT RISK

Risk management objectives and policies

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

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

	2017	2017	2016	2016
	EUR	INR	EUR	INR
Financial assets				
<i>Loans and receivables:</i>				
Non-current				
Loans	11,327,518	784,543,897	16,987,170	1,176,531,394
Current				
Loans	16,907,263	1,170,997,035	3,774,685	–
Cash and cash equivalents	61,807	4,280,753	105,746	7,323,968
	<u>16,969,070</u>	<u>1,175,277,788</u>	<u>3,880,431</u>	<u>7,323,968</u>
Total financial assets	<u>28,296,588</u>	<u>1,959,821,685</u>	<u>20,867,601</u>	<u>1,183,855,362</u>
Financial liabilities				
<i>Financial liabilities measured at amortised cost:</i>				
Non-current				
Derivative financial instrument	413,915	28,667,753	492,508	–
Borrowings	52,259,785	3,619,512,709	44,060,810	3,051,651,701
	<u>52,673,700</u>	<u>3,648,180,462</u>	<u>44,553,318</u>	<u>3,051,651,701</u>
Current				
Borrowings	112,393	7,784,339	350,504	24,275,907
Accruals	505,866	35,036,279	230,568	15,969,140
	<u>618,259</u>	<u>42,820,618</u>	<u>581,072</u>	<u>40,245,047</u>
Total financial liabilities	<u>53,291,959</u>	<u>3,691,001,080</u>	<u>45,134,390</u>	<u>3,091,896,747</u>

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

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

5.1 Market risk analysis

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

(i) Foreign currency sensitivity

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

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

	Financial assets 2017		Financial liabilities 2017		Financial assets 2016		Financial liabilities 2016	
	EUR	INR	EUR	INR	EUR	INR	EUR	INR
Long term exposure								
Euro (EUR)	1,13,27,518	78,45,43,897	5,26,73,700	3,64,81,80,462	1,69,87,170	1,17,65,31,394	4,45,53,318	3,08,57,62,805
Short term exposure								
Euro (EUR)	1,69,69,070	1,17,52,77,788	6,09,018	4,21,80,587	38,80,431	26,87,58,651	5,69,697	3,94,57,214
United States Dollar (USD)			9,241	6,40,032			11,375	7,87,833
	2,82,96,588	1,95,98,21,685	5,32,91,959	3,69,10,01,080	2,08,67,601	1,44,52,90,045	4,51,34,390	3,12,60,07,851

(ii) Interest rate sensitivity

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

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

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

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

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

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

Loans from HSBC Bank (Mauritius) Limited

Loan of EUR 6,850,000 (INR 474,431,000)

The bank loan of EUR 6,850,000 (INR 474,431,000) from HSBC Bank (Mauritius) Limited bears interest at Fixed EUR Interest Rate Swap ("IRS") 5 year plus a margin of 2.75% per annum on fixed basis (Note 11 (ii) to these financial statements). The all-inclusive rate of interest is fixed at 3.45%. The loan is repayable at the end of 5 years with an option to repay in full on any interest reset date. The interest is payable at the end of every 6 months. Since the interest rate is fixed, the Company is therefore not exposed to interest rate risk on this loan.

Loan of EUR 4,000,000 (INR 277,040,000)

The bank loan of EUR 4,000,000 (INR 277,040,000) from HSBC Bank (Mauritius) Limited carries interest at EURIBOR 6 months plus Margin of 1.95% on floating basis (Note 11 (ii) to these financial statements) and was fully repaid the year.

Loans from AXIS BANK LIMITED

Loan of EUR 47,000,000 (INR 3,255,220,000)

The Company has contracted a loan of EUR 47,000,000 (INR 3,255,220,000) from AXIS BANK LIMITED which carries interest at EURIBOR 3 - 6 months plus Margin of 1.50% per annum (Note 12 (ii) to these financial statements). The loan is repayable at the end of 5 years. As at 31 March 2017, the Company has received an amount of EUR 45,550,000 out of the EUR 47,000,000. The remaining amount is expected to be received in the next financial year.

The Company has entered into interest swaps for an amount EUR 41,550,000 (INR 2,396,396,000) by using floating to fixed interest rate swap. Such interest rate swap has the economic effect of converting borrowings from floating rate to fixed rate and protecting the Company from potential future interest rate hikes. Therefore the Company is not affected by interest rate fluctuations of these amounts. The Company is only marginally affected by interest rate fluctuations on its remaining balance of EUR 4,000,000 from AXIS BANK LIMITED.

5.2 Credit risk analysis

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

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

	2017	2017	2016	2016
	EUR	INR	EUR	INR
ASSETS				
Non-current				
Loans	11,327,518	784,543,897	16,987,170	1,176,531,394
Current assets				
Loans	16,907,263	1,170,997,035	3,774,685	–
Cash and cash equivalents	61,807	4,280,753	105,746	7,323,968
	16,969,070	1,175,277,788	3,880,431	7,323,968
Total	28,296,588	1,959,821,685	20,867,601	1,183,855,362

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

5.3 Liquidity risk analysis

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

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

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

2017	Less than 1 year	Less than 1 year	More than 1 year	More than 1 year
	EUR	INR	EUR	INR
Borrowings	1,12,393	77,84,339	5,22,59,785	3,61,95,12,709
Derivative financial instrument	–	–	4,13,915	2,86,67,753
Accruals	5,05,866	3,50,36,279	–	–
Total	6,18,259	4,28,20,618	5,26,73,700	3,64,81,80,462
2016	Less than 1 year	Less than 1 year	More than 1 year	More than 1 year
	EUR	INR	EUR	INR
Borrowings	350,504	24,275,907	44,060,810	3,051,651,701
Derivative financial instrument	–	–	492,508	34,111,104
Accruals	230,568	15,969,140	–	–
Total	581,072	40,245,047	44,553,318	3,085,762,805

6 FAIR VALUE MEASUREMENT

6.1 Fair value measurement of financial instruments

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

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

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

Level 3: unobservable inputs for the asset or liability.

The following table shows the Levels within which the hierarchy of financial liabilities measured at fair value on a recurring basis at 31 March 2017:

31-Mar-17	Level 1	Level 1	Level 2	Level 2	Level 3	Level 3	Total	Total
	EUR	INR	EUR	INR	EUR	INR	EUR	INR
Liabilities								
Interest rate swaps	–	–	413,915	28,667,753	–	–	413,915	28,667,753
31-Mar-16	Level 1	Level 1	Level 2	Level 2	Level 3	Level 3	Total	Total
	EUR	INR	EUR	INR	EUR	INR	EUR	INR
Liabilities								
Interest rate swap	–	–	492,508	34,111,104	–	–	492,508	34,111,104

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

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

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

6.2 Fair value measurement of non-financial instruments

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

7 CAPITAL MANAGEMENT POLICIES AND PROCEDURES

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

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

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. For the year/period ended 31 March 2017 and 31 March 2016, the Company was fully geared since it relies on external borrowing to finance its operations.

8 TAXATION

(i) Income tax

The Company monitors proposed and issued tax laws, regulations and cases to determine the impact on uncertain tax positions. At 31 March 2017, there are no potential subsequent events, other than those described below, that would have a material impact on unrecognized income tax benefits within the next twelve months.

As a tax resident in the Republic of Mauritius, the Company expects to obtain benefits under the double taxation treaty between the Republic of India and the Republic of Mauritius ("DTAA"). In 2016, the governments of India and Mauritius revised the existing DTAA where

Company as follows:

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

9 INVESTMENTS IN SUBSIDIARY

(i) Unquoted investment at cost:

Opening balance	
Funds contributed during the year	
Closing Balance	

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

Name of investee company	Country of Incorporation	Type of investments	Number of shares
Covington S.à.r.l	Luxembourg	Equity	12,500
Covington S.à.r.l	Luxembourg	Non-equity	-
			12,500

certain changes have been brought to the existing tax benefits. The revised DTAA provides for capital gains arising on disposal of shares acquired by a Mauritius company on or after 1 April 2017 to be taxed in India. However, investments in shares acquired up to 31 March 2017 will remain exempted from capital gains tax in India irrespective of the date of disposal. In addition, shares acquired as from 1 April 2017 and disposed of by 31 March 2019 will be taxed at a concessionary rate equivalent to 50% of the domestic tax rate prevailing in India provided the Mauritius company meets the prescribed limitation of benefits clause, which includes a minimum expenditure level in the Republic of Mauritius.

Disposal of investments made by a Mauritius company in Indian financial instruments other than shares (such as limited partnerships, options, futures, warrants, debentures, and other debt instruments) are not impacted by the change and will continue to be exempted from capital gains tax in India.

As per the revised DTAA, interest arising in Republic India to Mauritian residents will be subject to withholding tax in Republic of India at the rate of 7.5% in respect of debt claims or loans made after 31 March 2017.

At 31 March 2017, the Company has accumulated tax losses of EUR 574,487 (2016: EUR 368,718) which will be carried forward and available for set off against future taxable profit as follows:

	EUR	INR
Up to the year ending 31 March 2020	123,295	8,539,412
Up to the year ending 31 March 2021	245,423	16,997,997
Up to the year ending 31 March 2022	205,769	14,251,561
	574,487	25,537,409

(ii) Deferred tax

Deferred income tax is calculated on all temporary differences under the liability method at the rate of 3%. At 31 March 2017, no deferred tax has been recognised in respect of the tax losses carried forward as it is not probable that taxable profit will be available in the foreseeable future.

(iii) Income tax reconciliation

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

2017	2017	2016	2016
EUR	INR	EUR	INR
(729,059)	(50,494,626)	(1,066,426)	(73,860,665)
(21,872)	(1,514,855)	(31,993)	(2,215,835)
16,984	1,176,312	24,630	1,705,874
4,888	338,543	7,363	509,961
-	-	-	-

2017	2017	2016	2016
EUR	INR	EUR	INR
23,182,500	1,605,619,950	7,182,500	497,459,950
-	-	16,000,000	1,108,160,000
23,182,500	1,605,619,950	23,182,500	1,605,619,950

	Cost 2017	Cost 2017	Cost 2016	Cost 2016
	EUR	INR	EUR	INR
	17,500	1,212,050	17,500	1,212,050
	23,165,000	1,604,407,900	23,165,000	1,604,407,900
	23,182,500	1,605,619,950	23,182,500	1,605,619,950

MHR HOLDINGS (MAURITIUS) LTD

- (iii) Pursuant to a Share Sale and Purchase Agreement dated 17 July 2014 between the Company (the "Purchaser") and D.LAW (the "Seller"), the Company purchased 12,500 shares without nominal value corresponding to 100% of the share capital of Covington S.à.r.l, a private limited company incorporated in Luxembourg, from the Seller for a total consideration of EUR 17,500 (INR 1,212,050).
- (iv) Pursuant to Contribution Agreements dated 31 July 2014, 10 November 2014 and 18 August 2015 between the Company and Covington S.à.r.l (the "Receiver"), the Company contributed EUR 3,165,000 (INR 219,207,900), EUR 4,000,000 (INR 277,040,000) and EUR 16,000,000 (INR 1,108,160,000) respectively to the Receiver.
- (v) The directors have assessed the recoverable amount of the investments (equity and non-equity) and confirmed that the carrying amount of these investments have not suffered any impairment in value at the reporting date.
- (vi) The Company has 100% shareholding in Covington S.à.r.l and is therefore considered as the Company's subsidiary since it has control over the subsidiary through its 100% voting rights. The Company holds a Category 1 Global Business Licence issued by the Financial Services Commission and has therefore taken advantage of Section 12 of Part 1 of the Fourteenth Schedule of the Mauritius Companies Act 2001 which dispenses it from presenting consolidated financial statements as it is a wholly-owned subsidiary of a company incorporated in the Republic of India.
- (vii) The non-equity investment in Covington S.à.r.l represents funds invested as "capital contribution" and settlement is not likely within one year. Repayment would be agreed between the Company and its investee company.

10 FINANCE INCOME AND FINANCE COSTS

	2017	2017	2016	2016
	EUR	INR	EUR	INR
10.1 Finance income				
Fair value adjustment-Derivative financial instrument (Note 13)	78,593	5,443,282		
Interest on loans (Note 11 (i))	698,888	48,405,052	434,935	30,123,598
	<u>777,481</u>	<u>53,848,334</u>	<u>434,935</u>	<u>30,123,598</u>
	2017	2017	2016	2016
	EUR	INR	EUR	INR
10.2 Finance costs				
Interest on borrowings (Note 12(i))	876,260	60,689,768	649,528	44,986,309
Commissions on Corporate Guarantee (Note 12(ii))	277,432	19,214,940.32	185,362	12,838,172
Fair value adjustment – Derivative financial instrument (Note 13)	–	–	492,508	34,111,104
Amortisation of transaction costs (Note 12(i) and Note 15)	143,222	9,919,555.72	122,298	8,470,359
Loss on interest rate swaps (Note 12(i) and (iv))	146,910	10,174,986.60	19,545	1,353,687
Swap expenses	22,684	1,571,093.84	–	–
	<u>1,466,508</u>	<u>101,570,344</u>	<u>1,469,241</u>	<u>101,759,632</u>

11 LOANS

	2017	2017	2016	2016
	EUR	INR	EUR	INR
<i>Loans to subsidiary:</i>				
Non-current				
Principal amounts (Note 11(iii))	11,250,000	779,175,000	16,700,000	1,156,642,000
Interest receivable (Note 11(iii))	77,518	5,368,897	287,170	19,889,394
Total	<u>11,327,518</u>	<u>784,543,897</u>	<u>16,987,170</u>	<u>1,176,531,394</u>
Current				
Principal amounts (Note 11(ii))	16,700,000	1,156,642,000	3,684,000	255,153,840
Interest receivable (Note 11(ii))	207,263	14,355,035	90,685	6,280,843
	<u>16,907,263</u>	<u>1,170,997,035</u>	<u>3,774,685</u>	<u>261,434,683</u>

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

	2017	2017	2016	2016
	EUR	INR	EUR	INR
Opening balance	20,761,855	1,437,966,077	3,711,920	257,087,579
Loans granted during the year/period	7,750,000	536,765,000	16,700,000	1,156,642,000
Loans repaid during the year/period	(184,000)	(12,743,840)	–	–
Interest income for the year/period	698,888	48,404,983	434,935	30,123,598
Interest received during the year/period	(791,962)	(54,851,288)	(85,000)	(5,887,100)
Closing balance	<u>28,234,781</u>	<u>1,955,540,932</u>	<u>20,761,855</u>	<u>1,437,966,077</u>

- (ii) Pursuant to Loan Agreements dated 25 August 2014 and 10 September 2014 between the Company (the "Lender") and Covington S.à.r.l (the "Borrower"), the Company advanced funds to the Borrower amounting to EUR 200,000 (INR 13,852,000) and EUR 50,000 (INR 3,463,000) bearing interest of 4% per annum and these loans were fully repaid during the year.

- (iii) The loan amounting to EUR 3,500,000 (INR 2,42,410,000) granted on 31 July 2014, which was receivable by 31 July 2016 was further extended for a period of two years pursuant to board meeting dated 22 September 2016.
- (iv) Pursuant to Loan Agreements dated 21 August 2015 between the company (the "Lender") and Covington S.a.r.l (the "Borrower"), the company advanced funds to the borrower amounting to EUR 16,700,000 (INR 1,156,642,000) bearing interest of 4% per annum and receivable within one year.
- (v) During the year under review and pursuant to Loan Agreements dated 27 December 2016 and 22 September 2016, the company advanced an additional loan of EUR 6,000,000 (INR 4,15,560,000) and EUR 1,850,000 (INR 1,28,131,000) respectively to Covington S.a.r.l bearing interests of 4% per annum and receivable in two years' time.
- (vi) The directors have assessed the recoverable amounts of the advances made to the related party and confirmed that the carrying amounts of these advances have not suffered any impairment in values at the reporting date.

12 BORROWINGS

	2017	2017	2016	2016
	EUR	INR	EUR	INR
Non-current				
Bank loans (Note 12(ii))	51,970,331	3,599,465,125	44,060,810	3,051,651,701
Loan from holding company (Note 12(iii))	289,454	20,047,584	-	-
	<u>52,259,785</u>	<u>3,619,512,709</u>	<u>44,060,810</u>	<u>3,051,651,701</u>
Current				
Bank loans (Note 12(ii))	112,393	7,784,339	84,800	5,873,248
Loan from holding company (Note 12(iii))	-	-	265,704	18,402,659
	<u>112,393</u>	<u>7,784,339</u>	<u>350,504</u>	<u>5,873,248</u>
Total	<u>52,372,178</u>	<u>3,627,297,048</u>	<u>44,411,314</u>	<u>3,075,927,608</u>

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

	2017	2017	2016	2016
	EUR	INR	EUR	INR
Balance at start of the year/period	44,411,314	3,075,927,608	10,924,562	756,635,164
<i>Loans taken during the year/period:</i>				
AXIS BANK LIMITED	7,850,000	543,691,000	37,700,000	2,611,102,000
Mahindra Holidays and Resorts India Limited	-	-	250,000	17,315,000
<i>Loans paid during the year/period:</i>				
HSBC Bank (Mauritius) Limited	-	-	(4,000,000)	(277,040,000)
<i>Interest element for the year/period:</i>				
Interest expense	876,260	60,689,768	649,528	44,986,309
Interest payment	(824,918)	(57,133,821)	(623,586)	(43,189,566)
Loss on interest rate swaps	169,594	11,746,080	19,545	1,353,687
Interest rate swap payment	(169,594)	(11,746,080)	(19,545)	(1,353,687)
<i>Transaction costs incurred for the year/period:</i>				
Transaction cost incurred	(83,700)	(5,797,062)	(611,488)	(42,351,659)
Amortisation of transaction costs	143,222	9,919,556	122,298	8,470,359
At 31 March	<u>52,372,178</u>	<u>3,627,297,048</u>	<u>44,411,314</u>	<u>3,075,927,608</u>

- (ii) **Bank loans**

HSBC BANK (Mauritius) Limited**Loan of EUR 6,850,000 (INR 474,431,000)**

The Company (the "Borrower") entered into a Facility Agreement with HSBC Bank (Mauritius) Limited ("the Lender") on 31 July 2014 whereby the loan is repayable on 04 August 2019. The loan bears interest at Fixed EUR Interest Rate Swap ("IRS") 5 year plus a margin of 2.75% per annum on fixed basis. The all-inclusive rate of interest is fixed at 3.45%. The loan is repayable at the end of 5 years with an option to repay in full on any interest reset date. The interest is payable at the end of every 6 months and interest accrued on the loan outstanding at the reporting date amounted to EUR 35,449. (INR 2,455,198).

AXIS BANK LIMITED**Loan of EUR 47,000,000 (INR 3,255,220,000)**

The Company (the "Borrower") entered into a Facility Agreement with AXIS BANK LIMITED which carries interest at EURIBOR 3 - 6 months plus Margin of 1.50% per annum. The interest is payable at the end of every 6 months and interest accrued on the loan outstanding at the reporting date amounted to EUR 76,944 (INR 5,329,141)

The above loans are secured against an Unconditional and Irrevocable Corporate Guarantee from Mahindra Holidays and Resorts India Limited (the "Guarantor"). In that respect, an annual commission of 0.53% on the Corporate Guarantee (EUR 48,550,000 (INR 3,362,573,000)) should be paid to the Guarantor until the loans are fully repaid. At 31 March 2017, an amount of EUR 277,432 (INR 19,214,940) was charged as commission and an amount of EUR 496,625 (INR 34,396,248) remains payable at 31 March 2017.

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- (iii) During the year ended March 31, 2016, the Company borrowed a loan of EUR 250,000 (INR 17,315,000) from Mahindra Holdings & Resorts India Limited ("MHRIL") bearing interest of 9.5% per annum and repayable on demand. The amount due from MHRIL would not be recalled within one year and has been classified as non-current in these financial statements.
- (iv) The Company has entered into an interest rate swap arrangement in respect of its borrowings and during the year, a loss of EUR 169,594 (INR 11,746,080) was incurred on the swap arrangement.

13 DERIVATIVE FINANCIAL INSTRUMENTS

	2017	2017	2016	2016
	EUR	INR	EUR	INR
Interest rate swaps	<u>(413,915)</u>	<u>(28,667,753)</u>	<u>492,508</u>	<u>34,111,104</u>

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

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

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

The notional principal amount of the outstanding interest rate swap at 31 March 2017 was EUR 45,550,000 (INR 3,154,793,000).

At March 31, 2017 the fixed interest rate and fair value based on interest rate swap are as follows:

Details	Notional amount		Fixed interest rate	Start date	Maturity date	Fair Value	
	EUR	INR				EUR	INR
Axis Bank Limited	45,550,000	3,154,793,000	0.2526%	22 December 2015 and 03 January 2017	28 August, 2020	(413,915)	(28,667,753)

During the year under review, an amount of EUR 169,594 (INR 11,746,080) (Note 10.2 to the financial statements) was recognised in the income statement representing loss relating to interest rate swaps of the borrowings from variable interest rates (LIBOR) to the fixed interest rate. The fair value movement on the derivative financial instruments amounted to EUR 78,593 (INR 5,443,351) during the year under review.

14 PROFESSIONAL FEES

	2017	2017	2016	2016
	EUR	INR	EUR	INR
Administration fees and disbursements	13,525	936,742	18,519	1,282,626
Directors' fees	2,528	175,089	1,886	130,624
Fees for tax filings	1,721	119,196	1,279	88,584
Secretarial fees	1,517	105,067	1,131	78,333
Fees for process agent	-	-	1,290	89,345
Professional fees paid to Norton Rose Fulbright	8,888	615,583	-	-
	<u>28,179</u>	<u>1,951,678</u>	<u>24,105</u>	<u>1,669,512</u>

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

15 TRANSACTION COSTS

	2017	2017	2016	2016
	EUR	INR	EUR	INR
Agency fees	500	34,630	500	34,630
Brokerage fees	138,424	9,587,246	117,500	8,138,050
Legal fees	4,298	297,679	4,298	297,679
	<u>143,222</u>	<u>9,919,556</u>	<u>122,298</u>	<u>8,470,359</u>

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

16 STATED CAPITAL

	2017	2017	2016	2016
	EUR	INR	EUR	INR
Issued and paid:				
145,000 Ordinary shares of EUR1 each	<u>145,000</u>	<u>10,042,700</u>	<u>145,000</u>	<u>10,042,700</u>

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

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

17 RELATED PARTY TRANSACTIONS

During the period ended 31 March 2017, the Company had transactions with related parties. The nature, volume of transactions and balances with the related parties are as follows:

Name of companies	Nature of Relationship	Nature of transactions	Volume of transactions		Debit/(credit) balances at 31 March 2017		Debit/(credit) balances at 31 March 2016	Debit/(credit) balances at 31 March 2016
			EUR	INR	EUR	INR	EUR	INR
Covington S.à.r.l. (Note 11(ii))	Subsidiary	Loans	7,472,926	517,574,855	28,234,781	1,955,540,932	20,761,855	1,437,966,077
Mahindra Holidays and Resorts India Limited (Note 12(iii))	Holding company	Loans	-	-	(250,000)	(17,315,000)	(250,000)	(17,315,000)
Mahindra Holidays and Resorts India Limited (Note 12(iii))	Holding company	Interest payable	23,750	1,644,925	(39,454)	(2,732,584)	(15,704)	(1,087,659)
Mahindra Holidays and Resorts India Limited (Note 12(ii))	Holding company	Commission on Corporate Guarantee	277,432	19,214,940	(496,625)	(34,396,248)	(219,193)	(15,181,307)

18 CONTINGENT LIABILITIES

The Company has no litigation claims outstanding, pending or threatened against it, which could have a material adverse effect on the Company's financial position or results as at 31 March 2017.

19 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued financial support of the shareholder.

The Company's accumulated losses have increased over the years to reach EUR 1,955,359 as at 31 March 2017 (31 March 2016: EUR 1,226,300) and also a net liability position of EUR 1,810,359 (31 March: EUR 1,081,300). The Directors are of the opinion that financial support from the shareholder will be forthcoming over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on the going concern basis.

20 EVENTS AFTER THE REPORTING PERIOD

There have been no events after the reporting date which requires disclosure or adjustment to the 31 March 2017 financial statements.

21 HOLDING COMPANIES

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

22 FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 69.26 = EUR 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31st March 2017.

REPORT OF THE MANAGERS

The following shall constitute a report of the Board of Managers relating to the activities of the Company for the period ended March 31, 2017.

In January 2017, your Company increased its stake in Holiday Club Resorts Oy, Finland (HCR) by acquiring additional 6.33% stake in the share capital of HCR by purchasing equity shares from the existing Shareholder and consequently, shareholding has been increased from 85.61% to 91.94%. Further, in April 2017, your Company acquired 3.22% stake in the share capital of HCR by purchasing equity shares from the existing Shareholders and consequently, its stake in HCR further increased to 95.16%.

Your Company has made a profit of Euro 211,037 (INR 14,618,928) for the financial year ended March 31, 2017 as compared to loss of Euro 768,914 (INR 53,244,993) in the previous year.

Your Company did not declare any dividend for the year ended March 31, 2017.

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

During the year under review, Mr. Tony Whiteman and Mr. Pietro Longo were appointed as Category B Managers

of the Company w.e.f June 1, 2016. After the financial year end, Mr. Ajay Agarwal resigned from the post of a Category A Manager of the Company w.e.f. April 10, 2017 and Mrs. Akhila Balachandar was appointed as a Category A Manager w.e.f the same date. Further, during the part of the year, Mr. Quentin Cavaliere was employed as a Chief Accountant of the Company.

As on the date of this report, Mr. Dinesh Shetty, Mr. Livio Gambardella, Mr. Tony Whiteman, Mr. Pietro Longo and Mrs. Akhila Balachandar are the Managers of your Company.

In the opinion of the Board of Managers, the accompanying Financial Statements together with its Notes, Annexures, etc., as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

For **Covington S.à.r.l**

Dinesh Shetty
Manager

Akhila Balachandar
Manager

May 10, 2017

INDEPENDENT AUDITOR'S REPORT

To the Sole Shareholder
Covington S.a.r.l.

Report on Financial Statements

We have audited the accompanying annual accounts of Covington S.a r.l., which comprise the balance sheet as at March 31, 2017 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Responsibility of the Board of Managers for the annual accounts

The Board of Managers is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Manager determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the Auditors

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual

accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Managers, as well as evaluating the overall presentation of the annual accounts.

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

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Covington S.a.r.l. as of March 31, 2017, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

For Deloitte Audit, *Cabinet de Revision Agree*

Lize Griffiths, *Reviser d'Entreprises Agree*
Partner

Luxembourg,
Date: May 10, 2017

BALANCE SHEET AS AT MARCH 31, 2017

	Notes	<i>in EUR</i> As on March 31, 2017		<i>in INR</i> As on March 31, 2016	
ASSETS					
FIXED ASSETS					
Financial Fixed Assets	3				
Shares in undertakings with which the company is linked by virtue of participating interests		59,368,250	4,111,845,027	53,431,393	3,700,658,311
CURRENT ASSETS					
Cash at bank, cash in postal cheque accounts, cheques and cash in hand		1,577,223	109,238,495	56,379	3,904,820
Debtors.....	4	9,690	671,150	4,815	333,487
PREPAYMENTS.....		6,589	456,324	3,563	246,749
TOTAL ASSETS		60,961,753	4,222,210,997	53,496,150	3,705,143,367
LIABILITIES					
CAPITAL AND RESERVES					
Subscribed Capital		12,500	865,750	12,500	865,750
Share premium and similar premiums		23,165,000	1,604,407,900	23,165,000	1,604,407,900
Profit/(loss) brought forward		(862,226)	(59,717,791)	(93,313)	(6,462,826)
Profit/(loss) for the Financial period.....		211,073	14,618,928	(768,914)	(53,254,965)
		22,526,347	1,560,174,787	22,315,274	1,545,555,859
NON SUBORDINATED DEBTS					
Trade Creditors	5				
<i>becoming due and payable within one year</i>		75,599	5,235,977	34,487	2,388,599
Amounts owed to affiliated undertakings					
<i>becoming due and payable within one year</i>		397,181	27,508,764	4,113,305	284,887,477
<i>becoming due and payable after more than one year</i>		27,950,000	1,935,817,000	16,700,000	1,156,642,000
Tax and Social security debts					
<i>Tax debts</i>		10,130	701,604	12,890	892,762
Other Creditors					
Social Security Authorities		71	4,909	–	–
Director fees.....		2,425	167,956	–	–
Loan from RCI Europe					
<i>becoming due and payable within one year</i>		–	–	320,194	22,176,670
<i>becoming due and payable after more than one year</i>		10,000,000	692,600,000	10,000,000	692,600,000
		38,435,406	2,662,036,210	31,180,877	2,159,587,508
		60,961,753	4,222,210,997	53,496,150	3,705,143,367

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM APRIL 1, 2016 TO MARCH 31, 2017

CHARGES	Notes	<i>in EUR</i>		<i>in INR</i>	
		Period from 01/04/2016 to 31/03/2017		Period from 01/04/2015 to 31/03/2016	
Other external charges.....	6	152,089	10,533,661	116,366	8,059,511
<u>Staff Cost</u>					
Wages and Salaries.....		2,398	166,102	–	–
Social Security Cost relating to pensions.....		192	13,288	–	–
Other social security cost.....		129	8,928	–	–
<u>Interest and other financial charges</u>	7				
Other interest and similar financial charges..		853,574	59,118,520	649,338	44,963,157
Income Tax.....		3,220	223,017	3,210	222,325
Profit for the financial period.....		211,073	14,618,928	(768,914)	(53,244,993)
TOTAL CHARGES		1,222,675	84,682,444	–	–
INCOME					
<u>Income from financial fixed assets</u>	8				
derived from affiliated undertakings		740,646	51,297,163	–	–
<u>Other interest receivable and similar income</u>	9				
other interest and special income		482,028	33,385,281	–	–
TOTAL INCOME		1,222,675	84,682,444	–	–

CASH FLOW STATEMENT FOR THE PERIOD FROM APRIL 1, 2016 TO MARCH 31, 2017

Particulars	<i>in EUR</i>	<i>in INR</i>	<i>in EUR</i>	<i>in INR</i>
	Period from 01/04/2016 to 31/03/2017		Period from 01/04/2015 to 31/03/2016	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Profit/(Loss) before exceptional items and tax	214,293	14,841,945	(765,704)	(53,032,640)
Adjustments for:				
Interest, Commitment and Finance charges.....	853,574	59,118,519	649,338	44,973,130
Dividend Income from financial fixed assets	(1,222,675)	(84,682,443)	–	–
Operating Profit before Working capital changes	(154,808)	(10,721,979)	(116,366)	(8,059,510)
<u>Changes in Working Capital:</u>				
Trade and Other Receivables	(7,901)	(547,238)	(4,916)	(340,465)
Trade and Other Payables	(3,992,711)	(276,535,140)	4,285,663	296,824,985
Cash Generated from Operating Activities.....	(4,155,420)	(287,804,357)	4,164,381	288,425,010
Income taxes paid (net of refunds)	(5,980)	(414,175)	–	–
Net Cash from/(Used in) from Operating Activities	(4,161,400)	(288,218,532)	4,164,381	288,425,010
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of investments.....	(5,936,857)	(411,186,716)	(36,032,096)	(2,495,582,979)
Dividend Income from financial fixed assets	1,222,675	84,682,443	–	–
Net Cash (Used in)/from Investing Activities	(4,714,182)	(326,504,273)	(36,032,096)	(2,495,582,979)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from the issue of share capital (including share premium)	–	–	16,000,000	1,108,160,000
Proceeds from Borrowings	11,250,000	779,175,000	16,516,000	1,143,898,160
Interest, Commitment and Finance charges Paid	(853,574)	(59,118,519)	(649,338)	(44,973,130)
Net Cash (Used in)/from Financing Activities	10,396,426	720,056,481	31,866,662	2,207,085,030
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	1,520,844	105,333,676	(1,053)	(72,939)
CASH AND CASH EQUIVALENTS:				
Opening Balance.....	56,379	3,904,820	57,432	3,977,760
Closing Balance	1,577,223	109,238,495	56,379	3,904,820

NOTES TO THE ACCOUNTS

Note 1 - General information

Covington S.à.r.l., hereinafter the "Company", was incorporated on November 27, 2013 as a "société à responsabilité limitée" for an unlimited period. The Company is organised under the laws of Luxembourg, in particular the law of August 10, 1915 on commercial companies, as amended.

The registered office of the Company is established in Luxembourg City and is registered at the Trade and Companies register in Luxembourg under the number B 182 265.

The financial year of the Company starts on April 1 and ends on March 31 of each year.

The Company is included in the consolidated accounts of MHR Holdings (Mauritius) Limited, forming the largest body of undertakings of which the Company forms a part as direct subsidiary undertakings. The registered office of that company is located at twenty-eight, IFS Court, Cyber City, MS - Eben and the consolidated financial statements are available at twenty-eight, IFS Court, Cyber City, MS - Eben.

OBJECT

The object of the Company is the acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever and the administration, management, control and development of such participations. The Company may in particular acquire by way of subscription, purchase, exchange or in any other manner any stock, shares and/or other participation securities, bonds, debentures, certificates of deposit and/or other debt instruments and more generally any securities and/or financial instruments issued by any public or private entity whatsoever. It may participate in the creation, development, management and control of any company or enterprise. It may further make direct or indirect real estate investments and invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any nature or origin whatsoever.

The Company may borrow in any form, except for borrowing from the public. It may issue notes, bonds, debentures and any other kind of debt and/or equity securities, including but not limited to preferred equity certificates and warrants, whether convertible or not in all cases. The Company may lend funds, including the proceeds of any borrowings and/or issues of debt securities, to its subsidiaries, affiliated companies or to any other company. It may also give guarantees and grant security interests in favour of third parties to secure its obligations or the obligations of its subsidiaries, affiliated companies or any other company. The Company may further mortgage, pledge, transfer, encumber or otherwise hypothecate all or some of its assets.

The Company may generally employ any techniques and utilize any instruments relating to its investments for the purpose of their efficient management, including techniques and instruments designed to protect the Company against creditors, currency fluctuations, interest rate fluctuations and other risks.

The Company may carry out any commercial, financial or industrial operations and any transactions with respect to real estate or movable property, which directly or indirectly, further or relate to its purpose.

Note 2 - Summary of significant accounting policies

Basis of preparation

These annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. Accounting policies and valuation rules are, besides the ones laid down by the amended law of December 19, 2002, (the "Law"), determined and applied by the managers of the Company (the "Board of Managers").

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience

and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Change of layout of Balance sheet and Profit and loss account

Some figures for the financial year ended December 31, 2015 were reclassified in order to comply with the new layouts of balance sheet and profit and loss account defined by the Grand-Ducal Regulation of December 18, 2015.

Significant accounting policies

The main valuation rules applied by the Company are the following:

Financial assets

Shares in affiliated undertakings or participating interests, loans to these undertakings/investments held as fixed assets and other loans are valued respectively at purchase price and nominal value (loans and claims) including the expenses incidental thereto.

In the case of durable depreciation in value according to the opinion of the Board of the Managers, value adjustments are made in respect of financial fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

Foreign currency translation

The Company maintains its accounting records in Euro (EUR) and the balance sheet and the profit and loss accounts are expressed in this currency.

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction.

Formation expenses and long term non-monetary assets expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain converted using the exchange rate at the time of the transaction (the "historical exchange rate").

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

In accordance with prudence principles found within generally accepted accounting principles in Luxembourg ("Lux Gaap"), other assets are translated separately, at the lower of the value converted using the historical exchange rate and the value converted using the exchange rate at the balance sheet date. Conversely, other liabilities are translated separately, at the higher of the value converted using the historical exchange rate and the exchange rate at the balance sheet date. Consequently, both realised and unrealised exchange losses are recorded in the profit and loss account while exchange gains are recorded in the profit and loss account when realised only.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the profit and loss account while the net unrealised gains are not recognised.

Creditors

Creditors are stated at their nominal value. Where the amount repayable on account is greater than the amount received, the difference is shown in the profit and loss account when the debt is issued.

Current tax provisions

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years for which the tax assessments have not yet been received are recorded under the caption "Tax authorities". The advance payments are shown in the assets of the balance sheet under the caption "Debtors", if applicable.

Note 3 - Financial assets

a) The movements for the year are as follows:

	Affiliated undertakings Shares	Total
	EUR	EUR
Gross book value - opening balance	53,431,393	53,431,393
Additions for the year.....	5,936,857	5,936,857
Disposals for the year.....	-	-
Transfers for the year.....	-	-
Gross book value - closing balance	59,368,250	59,368,250
Net book value - closing balance	59,368,250	59,368,250
Net book value - opening balance.....	53,431,393	53,431,393

Mahindra Holidays & Resorts India Ltd. (MHRIL) and certain management employee shareholders of Holiday Club Resorts Oy (HCRO) had executed an Option agreement in September 2015. Subsequently the option agreement was assigned to Covington S.à r.l. One of these HCRO employee shareholders exercised their option rights in January, 2017.

Accordingly, Covington purchased 249,542 shares in HCRO, at the total price of EUR 4,366,985 on January 11, 2017. Transfer tax of 1.6% related to the purchase of the above shares is also capitalised.

During the financial year ended March 31, 2017, the Company decided to transfer the EUR 1,500,000 loan receivable from HCR Management Oy (wholly owned subsidiary of the Company) as consideration towards its existing investments in HCRM without the issuance of additional shares.

b) Undertakings in which the Company holds at least 20% interests in their share capital are as follows:

Undertaking's Name	Registered office	% of holding	<i>in EUR</i>		<i>in INR</i>		
			As on March 31, 2017	% of holding	As on March 31, 2016	<i>in INR</i>	
Holiday Club Resorts Finland.....	Finland	91.93%	55,568,369	3,848,665,242	85.61%	51,131,512	3,541,368,526
Holiday Management Oy.....	Finland	100.00%	3,799,881	263,179,785	100.00%	2,299,881	159,289,785
Total			59,368,250	4,111,845,027		53,431,393	3,700,658,311

The 91.93% holding in Holiday Club Resorts Oy is made up of a direct holding of 87.69% and an indirect holding of 4.24% through HCR Management Oy.

As at the end of the financial year 2017, the Board of Managers estimated that the financial assets do not present any permanent loss in value.

Note 4 - Other Debtors

This Caption is detailed as follows:

	<i>in EUR</i>		<i>in INR</i>	
	As on March 31, 2017		As on March 31, 2016	
Borrowings due and payable within one year				
Corporate income tax- Advances.....	3,210	222,325	4,815	333,487
Net Wealth tax- Advances.....	6,480	448,826	-	-
Total	9,690	671,151	4,815	333,487

Note 5 - Non Subordinated Debts

This Caption is detailed as follows:	<i>in EUR</i>			<i>in INR</i>			<i>in EUR</i>			<i>in INR</i>		
	Within 1 Year	After 1 Year and within 5 Years	Total as on March 31, 2017	Within 1 Year	After 1 Year and within 5 Years	Total as on March 31, 2017	Within 1 Year	After 1 Year and within 5 Years	Total as on March 31, 2016	Within 1 Year	After 1 Year and within 5 Years	Total as on March 31, 2016
Trade Creditors.....	75,599	-	75,599	5,235,977	-	5,235,977	34,487	-	34,487	2,388,599	-	2,388,599
<u>Tax Debts</u>												
Corporate Income tax - estimated tax.....	3,210	-	3,210	222,325	-	222,325	9,630	-	9,630	666,974	-	666,974
Net wealth tax - estimated tax.....	6,420	-	6,420	444,649	-	444,649	3,260	-	3,260	225,788	-	225,788
Withholding tax on director's fees.....	500	-	500	34,630	-	34,630						
<u>Amounts owed to affiliated undertakings</u>												
Loan from MHR Holdings (Mauritius) Ltd.	284,780	27,950,000	28,234,780	19,723,871	1,935,817,000	1,955,540,871	4,061,855	16,700,000	20,761,855	281,324,050	1,156,642,000	1,437,966,050
Mahindra Holidays & Resorts India Ltd.....	112,401	-	112,401	7,784,893	-	7,784,893	51,450	-	51,450	3,563,427	-	3,563,427
<u>Other Creditors</u>												
Social security authorities.....	71	-	71	4,909	-	4,909						
Director fees.....	2,425	-	2,425	167,956	-	167,956						
Loan from RCI Europe ..		10,000,000	10,000,000	-	692,600,000	692,600,000	320,194	10,000,000	10,320,194	22,176,670	692,600,000	714,776,670
Total	485,406	37,950,000	38,435,406	33,619,210	2,628,417,000	2,662,036,210	4,480,877	26,700,000	31,180,877	310,345,508	1,849,242,000	2,159,587,508

The details of the loans from MHR Holdings (Mauritius) Ltd. the sole shareholder of the Company, are as follows:

EUR 3,500,000.00 (INR 242,410,000) loan which bears interest at a nominal rate of 4% per annum. The maturity date of the loan is on July 31, 2018 and the accrued interests as at March 31, 2017 amount to EUR 34,521.55 (INR 2,390,924).

EUR 16,700,000.00 (INR 1,156,642,000) loan which bears interest at a nominal rate of 3% per annum. The maturity date of the loan is on August 21, 2017 however an extension of the repayment date of the loan has been agreed by both parties in April, 2017. The accrued interests as at March 31, 2017 amount to EUR 207,263.00 (INR 14,355,035).

EUR 1,750,000.00 (INR 121,205,000) which bears interest at a nominal rate of 2.25% per annum. The maturity date of the loan is on September 22, 2018 and the accrued interests as at March 31, 2017 amount to EUR 9,708.90 (INR 672,445).

EUR 6,000,000.00 (INR 415,560,000) loan which bears interest at a nominal rate of 2.25% per annum. The maturity date of the loan is on December 27, 2018 and the accrued interests as at March 31, 2017 amount to EUR 33,287.67 (INR 2,305,527).

The loan from RCI Europe, amounting to EUR 10,000,000.00 (INR 692,600,000) which bears interest at a nominal rate of 2% per annum + EURIBOR12M. The maturity date of the loan is on August 14, 2019 and the accrued interests as at March 31, 2017 amount to EUR 0.00 (INR 0.00) due to RCI Europe waiving the full loan interest

The payable owed to Mahindra Holidays & Resorts India Ltd., amounting to EUR 112,401.00 (INR 7,784,893) does not bear any interest and has no maturity date.

Note 6 - Other External Charges

	<i>in EUR</i>	<i>in INR</i>	<i>in EUR</i>	<i>in INR</i>
This Caption is detailed as follows:	Period from		Period from	
	01/04/2016 to 31/03/2017		01/04/2015 to 31/03/2016	
Professional fees....	82,267	5,697,830	58,835	4,074,943
Director fees	4,379	303,301	-	-
Luxembourg Chamber of Commerce contribution.....	350	24,241	350	24,241
Bank fees	3,790	262,513	5,467	378,667
Commission on Corporate Guarantee.....	60,951	4,221,466	51,450	3,563,427
Translation fees.....	351	24,310	263	18,233
Total.....	152,089	10,533,661	116,366	8,059,511

Note 7 - Other Interest and Other Financial Charges

	<i>in EUR</i>	<i>in INR</i>	<i>in EUR</i>	<i>in INR</i>
This Caption is detailed as follows:	Period from		Period from	
	01/04/2016 to 31/03/2017		01/04/2015 to 31/03/2016	
Interest charge on Loan amounts owed to RCI Europe.....	153,397	10,624,249	214,259	14,839,548
Interest charge on Loan amounts owed to MHR Holdings (Mauritius) Ltd.....	698,890	48,405,147	434,934	30,123,495
Foreign Exchange Losses	-	-	2	114
Tax fines and penalties	1,287	89,124	-	-
Total	853,574	59,118,520	649,194	44,963,157

Note 8 - Income from financial fixed assets

	<i>in EUR</i>	<i>in INR</i>	<i>in EUR</i>	<i>in INR</i>
This Caption is detailed as follows:	Period from		Period from	
	01/04/2016 to 31/03/2017		01/04/2015 to 31/03/2016	
Dividend Income.....	740,646	51,297,163	-	-
Total	740,646	51,297,163	-	-

Note 9 - Other interest receivable and similar income

	<i>in EUR</i>	<i>in INR</i>	<i>in EUR</i>	<i>in INR</i>
This Caption is detailed as follows:	Period from		Period from	
	01/04/2016 to 31/03/2017		01/04/2015 to 31/03/2016	
Interest receivable from HCRO	8,437	584,363	-	-
Waiver on interest payable to RCI Europe.....	473,591	32,800,918	-	-
Total	482,028	33,385,281	-	-

Note 10 - Taxation

The Company is subject to the general tax regulation applicable to all Luxembourg commercial companies.

Note 11 - Off balance sheet commitments and contingencies

The shares under the option agreement as at March 31, 2017 are as follows:

Agreement Date	Shares	Executed	Outstanding
Option agreement MHRIL September 2, 2015.....	386,112	249,542	136,570

Note 12 - Subsequent events

In April, 2017, an extension of the repayment date of the EUR 16,700,000.00 loan from MHR Holdings (Mauritius) Ltd. to the Company has been agreed by both parties.

In March 2017, the Company exercised the options to buy 127,160 shares in Holiday Club Resorts Oy. The effective date of the transfer of the shareholding only occurred on April 11, 2017 whereby the direct shareholding of the Company in Holiday Club Resorts Oy increased to 90.92%. This combined with the indirect shareholding of 4.24% amounts to a 95.16% post balance sheet holding in Holiday Club Resorts Oy.

No other matters or circumstances of importance other than those already described in the present notes to the accounts have arisen since the end of the financial year which could have significantly affected or might significantly affect the operations of the Company, the results of those operations or the affairs of the Company.

Note 13 - Going Concern

Management is of the opinion that there is no going concern issue and the liquidity risk is addressed when the loan maturing in August 2017 was extended in April, 2017. Refer to Note 6 and Note 13 above for further information.

Note 14

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 69.26 = EUR 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31st March 2017.

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial year/period ended on March 31, 2017.

OPERATIONS

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

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

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

CHANGES IN THE GROUP STRUCTURE AND ITS BUSINESS

In July 2016, a subsidiary Caribia Service Oy was liquidated and removed from the trade register.

In July 2016, Holiday Club Resorts Oy together with the city of Kuusamo established a company called Tropiikin Rantasauna Oy. The company was registered in the trade register in August 2016. Holiday Club Resorts Oy owns 50% of the company's shares. This transaction is related to frame agreement with the city of Kuusamo.

In September 2016, a subsidiary Holiday Club Sweden AB sold all its shares in the company Åre Semesterby A AB, Åre Semesterby B AB, Åre Semesterby C AB and Åre Semesterby D AB.

In February 2017, subsidiaries Saimaa Gardens Arena Oy and Kiinteistö Oy Tunturinrivi merged into Holiday Club Resorts Oy.

In March 2017, the company renounced its ownership in the associated company Saimaa Adventures Oy.

FINANCIAL HIGHLIGHTS

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

During the period under review (1.4.2016-31.3.2017) the Group has earned a revenue of 155.0 m€ and made a loss of -1.0 m€. The parent company revenue for the same period was 126.9 m€ and profit 0.8 m€.

Main items affecting the financial result of the Group were high start-up costs in Åre Spa hotel and lower demand of time share products in Gran Canary.

DIVIDENDS

The parent company's assets eligible for distribution are 42,766,660.45 euros. The parent's company's assets for profit distribution are 3,371,485.81 euros of which profit for the financial period is 802,013.67 euros.

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

0,30 euro/share, distributed as dividends	1,183,374.60	euro
Retained in equity	2,188,111.21	euro
	3,371,485.81	

DIRECTORS

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

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

The managing director of the company is Iiro Rossi. Vesa Tengman has been the managing director until 7th of September 2016.

STATEMENT OF DIRECTORS

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

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

ISSUE OF SHARES

The Company did not issue shares during the financial period under review.

HOLDING COMPANY

The Company is a subsidiary of Covington S.à.r.l. (ownership 91.9% of the shares, 4.2% of ownership coming through HCR Management Oy). Other shareholders of the company are Fennia Group and the Management.

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

COMPLIANCE

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

AUDITORS

There is no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2017.

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

ACKNOWLEDGEMENTS

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

Signed on behalf of the Board of Directors of Holiday Club Resorts Oy

In Helsinki, 9th of May 2017

Arunkumar Nanda
Chairman of the Board

Teuvo Salminen
Director

Antti Heikinheimo
Director

S. Krishnan
Director

Sridar Iyengar
Director

Vesa Tengman
Director

AUDITOR'S REPORT

To the Annual General Meeting of Holiday Club Resorts Oy

Report on the Audit of Financial Statements

Opinion

I have audited the financial statements of Holiday Club Resorts Oy (business identity code 2033337-1) for the year ended 31 March, 2017. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

In my opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

I conducted my audit in accordance with good auditing practice in Finland. My responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance on whether the 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 my opinion. Reasonable

assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's 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 parent company's or the group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My 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 parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I 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.

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises information included in the report of the Board of Directors. My opinion on the financial statements does not cover the other information.

In connection with my audit of the financial statements, my responsibility is to read the information included in the report of the Board of Directors and, in doing so, consider whether the information included in the report of the Board of Directors is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. My responsibility also includes considering whether the report of the Board of Directors has

been prepared in accordance with the applicable laws and regulations.

In my opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work I have performed, I conclude that there is a material misstatement in the information included in the report of the Board of Directors, we are required to report this fact. I have nothing to report in this regard.

Eero Suomela

Authorised Public Accountant, KHT
Nokkalankulma 7 B
02230 Espoo
FINLAND

Place : Helsinki
Date : 9th May 2017

PROFIT AND LOSS STATEMENT FOR THE GROUP

	Note	Eur		Rs.	
		1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016
TURNOVER	1	155,028,438.40	10,736,494,501.23	183,383,004.47	12,700,189,974.57
Other operating income	2	6,430,152.64	445,320,221.06	12,875,845.04	891,716,648.25
Share of Associated Company Profit (Loss)		6,741.20	466,861.81	(109,015.38)	(7,549,860.14)
Materials and services	3	(61,280,900.00)	(4,244,008,729.56)	(62,534,162.13)	(4,330,803,398.31)
Personnel expenses	4	(37,845,576.01)	(2,620,995,366.62)	(53,137,916.27)	(3,680,066,391.28)
Depreciations and impairments	5	(6,171,347.41)	(427,396,664.54)	(11,546,697.32)	(799,666,522.90)
Other operating expenses	6	(56,483,325.21)	(3,911,752,687.69)	(72,238,270.60)	(5,002,861,430.40)
PROFIT (LOSS)		(315,816.39)	(21,871,864.31)	(3,307,212.19)	(229,040,980.22)
Financial income and expenses	7	(947,152.28)	(65,595,031.27)	(4,300,175.40)	(297,808,647.33)
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES		(1,262,968.67)	(87,466,895.58)	(7,607,387.59)	(526,849,627.55)
Income taxes	9	(248,201.26)	(17,189,178.37)	605,705.62	41,948,142.99
Minority Share		519,175.57	35,955,503.80	(209,004.56)	–
PROFIT (LOSS) FOR THE FINANCIAL YEAR		(991,994.37)	(68,700,570.15)	(7,210,686.52)	(499,376,095.01)

BALANCE SHEET FOR THE GROUP

	Note	Eur 31.3.2017	Rs. 31.3.2017	Eur 31.3.2016	Rs. 31.3.2016
ASSETS					
NON CURRENT ASSETS					
Intangible assets	10	8,671,484.73	600,543,675.02	9,252,651.63	640,792,388.64
Group goodwill.....	10	46,582.07	3,226,041.26	57,989.87	4,016,088.45
Tangible assets.....	11	40,178,051.76	2,782,530,974.75	38,889,202.88	2,693,271,745.45
Investments.....	12	4,071,142.74	281,946,990.55	4,005,279.80	277,385,652.55
TOTAL NON CURRENT ASSETS		52,967,261.30	3,668,247,681.58	52,205,124.18	3,615,465,875.09
CURRENT ASSETS					
Inventories	14	53,166,331.33	3,682,034,276.39	51,187,488.18	3,544,989,493.91
Long-term receivables.....	15	1,557,326.29	107,852,632.21	1,564,717.96	108,364,542.32
Deferred tax receivables	19	1,410,845.37	97,708,096.34	1,335,277.86	92,474,668.19
Short-term receivables	16	21,634,003.67	1,498,262,924.37	18,364,613.38	1,271,841,299.63
Financial instruments		3,558.00	246,409.29	3,558.00	246,409.29
Cash and cash equivalents ...		3,631,077.11	251,470,245.26	10,532,400.57	729,421,401.48
TOTAL CURRENT ASSETS		81,403,141.78	5,637,574,583.87	82,988,055.95	5,747,337,814.82
TOTAL ASSETS		134,370,403.08	9,305,822,265.45	135,193,180.13	9,362,803,689.90
EQUITY AND LIABILITIES					
EQUITY					
Share capital.....	17	11,959,146.00	828,230,656.23	11,959,146.00	828,230,656.23
Reserve for invested non-restricted equity		39,395,174.64	2,728,312,819.89	39,395,174.64	2,728,312,819.69
Profit (loss) from previous years		10,238,398.50	709,060,287.93	18,847,508.98	1,305,284,234.41
Profit (loss) for the financial year		(991,994.37)	(68,700,570.15)	(7,210,686.52)	(499,376,094.94)
TOTAL EQUITY		60,600,724.77	4,196,903,193.91	62,991,143.10	4,362,451,615.39
GROUP RESERVE	18	-	-	-	-
MINORITY SHARE		593,770.39	-	-	-
LIABILITIES					
Deferred tax liabilities	19	265,410.66	18,381,015.54	440,390.09	30,499,215.68
Long-term liabilities	20	18,265,950.87	1,265,008,427.60	26,639,756.63	1,844,936,345.41
Short-term liabilities.....	21	54,644,546.38	3,784,408,059.33	43,973,050.85	3,045,353,636.62
TOTAL LIABILITIES		73,175,907.91	5,067,797,502.47	71,053,197.57	4,920,789,197.71
TOTAL EQUITY AND LIABILITIES		134,370,403.08	9,305,822,265.04	135,193,180.13	9,362,803,689.90

CASH FLOW STATEMENT FOR THE GROUP

	Eur	Rs.	Eur	Rs.
	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016
Cash flow from operating activities				
Profit/loss before appropriations and taxes ...	(1,262,968.67)	(87,466,895.58)	(7,607,387.59)	(526,849,627.55)
Adjustments:				
Depreciations.....	6,171,347.41	427,396,664.88	11,546,697.32	799,666,523.07
Other non-cash items.....	(999,725.22)	(69,235,970.11)	(101,655.02)	(7,040,118.49)
Financial income and expenses.....	945,849.43	65,504,802.27	3,577,898.67	247,787,372.15
Cash generated from operations before net working capital.....	4,854,502.95	336,198,601.46	7,415,553.38	513,564,149.19
Change in non-interest-bearing receivables.....	(3,761,689.27)	(260,515,790.39)	735,528.25	50,939,008.75
Change in inventories.....	(2,143,884.52)	(148,474,722.43)	(2,288,854.25)	(158,514,600.86)
Change in non-interest-bearing liabilities	7,106,337.77	492,149,422.26	3,595,388.75	248,998,647.80
Cash generated from operations before financial items and taxes.....	6,055,266.93	419,357,510.90	9,457,616.13	654,987,204.88
Interest expenses paid and other financial expenses.....	(1,205,213.41)	(83,467,054.71)	(2,758,844.75)	(191,063,793.29)
Dividend received.....	782.00	54,157.41	-	-
Interest income received.....	252,914.03	17,515,561.15	-	-
Income taxes paid.....	138,761.22	9,609,908.29	(1,012,027.64)	(70,087,974.38)
Net cash flow from operating activities.....	5,242,510.77	363,070,083.04	5,686,743.73	393,835,437.21
Cash flow from investments activities				
Investments in tangible and intangible assets.....	(8,947,952.26)	(619,690,433.77)	(5,950,815.94)	(412,123,758.12)
Proceeds from sale of tangible and intangible assets.....	3,022,586.74	209,329,244.68	2,721,390.06	188,469,868.61
Investments in other investments.....	(66,539.80)	(4,608,213.85)	(693,613.26)	(48,036,186.04)
Proceeds from repayments of loans.....	2,277.91	157,756.66	238,034.82	16,485,101.64
Proceeds from other investments	-	-	270,872.98	18,759,308.23
Interest received from investments	-	-	412,436.50	28,563,290.00
Dividends received from investments	-	-	514.80	35,652.47
Disposal of subsidiaries.....	(5,424.96)	(375,705.60)	-	-
Net cash flow from investing activities.....	(5,995,052.37)	(415,187,351.88)	(3,001,180.03)	(207,846,723.22)
Cash flow from financing activities				
Proceeds from issuance of share capital ..	-	-	14,477,872.50	1,002,665,059.99
Proceeds from short-term borrowings	2,627,445.78	181,963,757.49	(26,180.00)	(1,813,095.90)
Repayments in short-term borrowings.....	(510,240.88)	(35,336,732.14)	-	-
Proceeds from long-term borrowings	841,034.05	58,245,813.13	12,056,000.00	834,938,280.00
Repayments in long-term borrowings	(7,995,167.14)	(553,705,300.28)	(22,438,028.98)	(1,553,945,696.92)
Dividends paid.....	(950,532.60)	(65,829,135.21)	(1,046,732.75)	(72,491,476.60)
Net cash used in financing activities.....	(5,987,460.79)	(414,661,597.01)	3,022,930.77	209,353,070.57
Net increase/decrease in cash and cash equivalents.....	(6,740,002.39)	(466,778,865.86)	5,708,494.47	395,341,784.56
Cash and cash equivalents at the beginning of period.....	10,535,958.57	729,667,810.59	4,827,464.10	334,326,026.25
Effects of exchange rate fluctuations on cash held	(161,321.06)	-	-	-
Cash and cash equivalents at the end of period	3,634,635.11	251,716,654.54	10,535,958.57	729,667,810.59
Change in net cash	(6,740,002.40)	(466,778,866.04)	5,708,494.47	395,341,784.34

PARENT COMPANY PROFIT AND LOSS

		Eur		Rs.	
	Note	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016
TURNOVER	1	126,484,703.75	8,759,698,158.21	151,414,616.46	10,486,219,262.94
Other operating income	2	5,314,607.66	368,063,153.49	13,925,353.71	964,400,371.19
Materials and services	3	(53,595,365.05)	(3,711,747,006.54)	(56,160,920.20)	(3,889,424,528.45)
Personnel expenses	4	(27,507,978.25)	(1,905,065,033.70)	(40,452,045.92)	(2,801,506,440.19)
Depreciations and impairments	5	(4,278,934.62)	(296,337,617.11)	(6,059,619.99)	(419,658,982.41)
Other operating expenses	6	(44,007,869.62)	(3,047,765,010.53)	(63,515,611.30)	(4,398,773,660.58)
PROFIT (LOSS)		2,409,163.87	166,846,643.82	(848,227.24)	(58,743,977.51)
Financial income and expenses	7	(1,277,358.99)	(88,463,496.85)	(4,183,909.30)	(289,756,638.57)
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES		1,131,804.88	78,383,146.96	(5,032,136.54)	(348,500,616.08)
Appropriations	8	21,287.55	1,474,269.28	1,319,697.75	91,395,667.68
Income taxes	9	(351,078.76)	(24,313,959.52)	4,738.67	328,176.59
PROFIT (LOSS) FOR THE FINANCIAL YEAR		802,013.67	55,543,456.72	(3,707,700.12)	(256,776,771.81)

PARENT COMPANY BALANCE SHEET

	Note	Eur 31.3.2017	Rs. 31.3.2017	Eur 31.3.2016	Rs. 31.3.2016
ASSETS					
NON CURRENT ASSETS					
Intangible assets	10	6,723,169.89	465,613,130.73	6,822,907.76	472,520,476.92
Tangible assets	11	12,898,144.70	893,261,011.20	12,422,356.30	860,310,285.56
Investments.....					
Shares of the group companies	12	8,368,429.51	579,555,585.72	9,035,224.91	625,734,501.14
Shares of the associated companies	12	648,700.00	44,925,718.50	594,167.77	41,149,088.91
Receivables from group companies	16	12,772,497.43	884,559,309.51	13,197,402.79	913,986,130.22
Other shares.....	12	3,588,855.55	248,546,191.12	3,587,855.55	248,476,936.12
Other receivables	12	61,508.68	4,259,783.63	58,468.68	4,049,248.43
TOTAL NON CURRENT ASSETS		45,061,305.76	3,120,720,730.41	45,718,383.76	3,166,226,667.30
CURRENT ASSETS					
Inventories	14	42,307,388.09	2,929,998,162.17	38,250,835.37	2,649,061,603.55
Long-term receivables.....	15	13,359,331.65	925,200,513.42	13,611,441.13	942,660,355.46
Short-term receivables	16	16,480,085.53	1,141,328,323.38	15,569,042.81	1,078,234,059.81
Financial instruments		3,558.00	246,409.29	3,558.00	246,409.29
Cash and cash equivalents ...		563,902.96	39,053,099.49	6,439,806.98	445,988,832.40
TOTAL CURRENT ASSETS		72,714,266.23	5,035,826,507.76	73,874,684.29	5,116,191,260.50
TOTAL ASSETS		117,775,571.99	8,156,547,238.17	119,593,068.05	8,282,417,927.80
EQUITY AND LIABILITIES					
EQUITY					
Share capital.....	17	11,959,146.00	828,230,656.23	11,959,146.00	828,230,656.23
Reserve for invested non-restricted equity		39,395,174.64	2,728,312,819.69	39,395,174.64	2,728,312,819.69
Profit (loss) from previous years		2,569,472.14	177,948,793.06	7,227,704.86	500,554,700.08
Profit (loss) for the financial year		802,013.67	55,543,456.72	(3,707,700.12)	(256,776,771.81)
TOTAL EQUITY		54,725,806.45	3,790,035,725.69	54,874,325.38	3,800,321,404.19
ACCUMULATED DEPRECIATION		432,093.19	29,924,613.87	562,862.74	38,981,059.06
LIABILITIES					
Long-term liabilities	20	16,643,585.59	1,152,651,520.04	26,868,994.61	1,860,812,221.72
Short-term liabilities.....	21	45,974,086.76	3,183,935,378.56	37,286,885.32	2,582,303,242.84
TOTAL LIABILITIES		62,617,672.35	4,336,586,898.60	64,155,879.93	4,443,115,464.55
TOTAL EQUITY AND LIABILITIES		117,775,571.99	8,156,547,238.17	119,593,068.05	8,282,417,927.80

PARENT COMPANY CASH FLOW

	Eur 1.4.2016- 31.3.2017	Rs. 1.4.2016- 31.3.2017	Eur 1.10.2014- 31.3.2016	Rs. 1.10.2014- 31.3.2016
Cash flow from operating activities				
Profit/loss before appropriations and taxes.....	1,131,804.88	78,383,146.96	(5,032,136.54)	(348,500,616.08)
Adjustments:				
Depreciations	4,278,934.62	296,337,617.11	6,059,620.47	419,659,015.65
Sales profit/loss from the sales of non-current assets.....	(856,366.55)	(59,307,665.42)	-	-
Other non-cash items.....	(19,886.46)	(1,377,236.79)	3,651,110.56	252,857,661.83
Financial income and expenses.....	1,277,358.99	88,463,496.85	1,457,976.88	100,972,188.82
Cash generated from operations before net working capital.....	5,811,845.48	402,499,358.72	6,136,571.37	424,988,250.23
Change in working capital				
Change in non-interest-bearing receivables.....	(490,179.21)	(33,947,361.19)	(831,618.92)	(57,593,768.30)
Change in inventories	(4,054,013.33)	(280,760,693.17)	(2,643,944.78)	(183,106,395.74)
Change in non-interest-bearing liabilities...	5,804,143.79	401,965,978.18	1,492,336.62	103,351,772.62
Cash generated from operations before financial items and tax.....	7,071,796.73	489,757,282.54	4,153,344.29	287,639,858.80
Interest expenses paid and other financial expenses.....	(1,088,842.11)	(75,407,760.33)	(2,625,075.40)	(181,799,596.83)
Income taxes paid.....	55,494.71	3,843,286.14	(480,258.36)	(33,260,292.72)
Net cash flow from operating activities	6,038,449.33	418,192,808.35	1,048,010.53	72,579,969.26
Cash flow from investments activities				
Investments in tangible and intangible assets.....	(4,602,959.11)	(318,777,933.16)	(10,780,194.86)	(746,582,395.03)
Proceeds from sales of tangible and intangible assets.....	2,288,231.81	158,471,494.00	1,384,651.35	95,894,029.24
Investments in group companies	(1,346,049.10)	(93,220,630.42)	-	-
Investments in other investments.....	(66,539.80)	(4,608,213.85)	4,639,218.82	321,289,099.38
Proceeds from repayments of loans	2,277.91	157,756.66	8,392,562.07	581,226,886.16
Interest received from investments.....	72,828.24	5,043,719.76	1,029,956.69	71,329,650.57
Dividends received from investments.....	782.00	54,157.41	514.80	35,652.47
Net cash flow from investing activities.....	(3,650,678.05)	(252,827,708.35)	4,666,708.87	323,192,922.79

	Eur	Rs.	Eur	Rs.
	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016
Cash flow from financing activities				
Proceeds from issuance of share capital.....	-	-	14,477,872.50	1,002,665,059.99
Proceeds from short-term borrowings.....	2,374,880.58	164,472,354.57	(4,752,789.22)	(329,154,417.43)
Proceeds from long-term borrowing	-	-	10,000,000.00	692,550,000.00
Repayments in long-term borrowings	(9,737,666.86)	(674,382,118.39)	(21,028,077.61)	(1,456,299,514.88)
Dividends paid.....	(950,532.60)	(65,829,135.21)	(1,046,732.75)	(72,491,476.60)
Group contributions received and paid.....	-	-	(600,000.00)	(41,553,000.00)
Net cash used in financing activities.....	(8,313,318.88)	(575,738,899.03)	(2,949,727.08)	(204,283,348.93)
Net increase/decrease in cash and cash equivalents.....	(5,925,547.60)	(410,373,799.04)	2,764,992.32	191,489,543.12
Cash and cash equivalents at the beginning of period	6,443,364.98	446,235,241.69	3,678,372.66	254,745,698.57
Cash received from merged companies	49,643.58	-	-	-
Cash and cash equivalents at the end of period	567,460.96	39,299,508.78	6,443,364.98	446,235,241.69
Change in net cash	(5,925,547.60)	(410,373,799.04)	2,764,992.32	191,489,543.12

ACCOUNTING PRINCIPLES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Basic information of the Group

The Group's main branch of business is to sell and rent the timeshare weeks and Villas apartments constructed by the Group. The Group also operates in the Spa hotel business. Group has activities in four countries: Finland, Sweden, Spain and Russia.

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

Holiday Club Resorts Oy is a subsidiary of Covington S.a.r.l. The Company's registered domicile is in Luxembourg. Covington S.a.r.l owns 87.7% of the company's shares (4.2% of ownership coming through HCR Management Oy). Covington S.a.r.l is a subsidiary of MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited (domicile in India) and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited (domicile in India).

Notes related to the basis of presentation

Comparability of the previous financial year

The group's financial statements have been prepared in accordance with the Finnish accounting act, which was renewed as of 1.1.2016. When comparing the information for current financial period with the comparative period, it needs to be noted that the Group contribution previously presented in other extraordinary items in parent company income statement, has been transferred to appropriations. All the other items previously presented in other extraordinary items have been transferred to other operating expenses.

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

Consolidation principles

Intracompany ownership

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

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

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

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

Associated companies and joint ventures

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

All timeshare and Villas apartment companies, including the ones of which the group owns more than 20%, are presented in the current assets as they are actively traded.

Minority Share

The minority shares have been separated from Group's equity and financial year profit.

Foreign Currency Translation

Transactions in foreign currencies

Items in the subsidiaries' financial statements are valued in the currency, which is used in each subsidiary's main operating environment (functional currency). The consolidated financial statements are presented in euros, which is the functional and presentation currency of the group. Assets and liabilities are translated into euros at the closing rate of the balance sheet date. Exchange differences resulting from sales and purchases are recorded as adjustments to the corresponding items above the operating profit. At the company level, exchange gains and losses from foreign currency denominated loans are presented in the accrued expenses according to the principle of prudence. At the group level, exchange gains and losses are recognized in equity as retained earnings.

Foreign subsidiaries

Foreign subsidiaries' income statements are translated into euros using the average exchange rates for the period. All balance sheet items, except profit for the period, are translated into euros using the closing exchange rates. The translation differences arising from the translation of income statement and balance sheet at different exchange rates and from eliminating the foreign subsidiaries equity is recognized in the group's equity. When a subsidiary is divested entirely or partially, the cumulative translation difference is recognized in the income statement as a part of the gain or loss from the sale.

Valuation and depreciation of non-current assets

Non-current assets

Goodwill

Goodwill represents the excess of the acquisition cost and the acquired company's net assets at the fair value at the date of the acquisition. Goodwill is allocated to cash-generating units, if such can be designated. As a main rule, goodwill is depreciated and if the expected future operating cash flow is lower than the carrying amount of the goodwill, an impairment loss is recognized as an expense in the income statement.

Other intangible assets

Intangible assets are recorded in the balance sheet at their original acquisition cost, if the cost can be measured reliably and if it is probable that the expected benefits of the asset will benefit the company. Intangible assets mainly include software licenses.

Tangible assets

The subsidiaries' tangible assets have been valued in the balance sheet at historical cost less accumulated, straight-line depreciations and possible impairment losses. Land areas are not depreciated.

Residual values and useful lifetimes are reviewed at each balance sheet date and, if necessary, adjusted to reflect the changes of expected economic benefits.

Significant renovations or additional investments are capitalized and depreciated over the remaining useful life of the asset, if it is probable that the future benefits associated with the asset will benefit the company. Capital gains are presented in other operating income and losses under other operating expenses. The interest expenses related to the acquisition of the asset are expensed.

Fixed asset depreciation periods

The useful lives of the different asset categories are as follows:

Intangible rights	5-10 years
Goodwill and group goodwill	5-10 years
Long-term expenses	5-10 years
Buildings	50-60 years
Other constructions	10 years
Machinery and equipment	5-10 years
Renovations	5-10 years
Other tangible assets	10 years

Investments

Investments have been valued with original acquisition cost less possible impairments in the balance sheet.

Group reserve

The group reserve is allocated, in accordance with the share of ownership, to those assets and liabilities of the subsidiary that the group reserve is considered to derive from. The unallocated portion is recognized in the group's balance sheet as a separate item before liabilities. The group reserve is recognized as income when the corresponding expenditure or loss is recorded as an expense in the income statement of the subsidiary or where it corresponds to a realized return. The unallocated group reserve is recognized as income over time. These procedures are in accordance with the Finnish Accounting Act.

Received grants

Grants received by the company are recorded as other operating income in the income statement during the periods in which the related expenses are incurring. Investment grant for the acquisition of fixed assets is recorded in the balance sheet as accrued expense and recognized in the income statement as revenue over the asset's systematical depreciation period.

Inventory

Inventory is valued at the original acquisition cost or the lower net realizable value. Net realizable value is the estimated selling price less the estimated costs of completion and selling in the ordinary course of business. The cost of finished and unfinished products comprises of raw materials, direct labor costs and other direct costs. The costs of selling and financing are not allocated to the acquisition cost.

Receivables

Receivables are valued at the nominal value or the lower probable value.

Financial assets

The group's cash and cash equivalents consist of cash, bank deposits and other short-term highly liquid investments. Cash and cash equivalents have a maximum maturity of three months from the acquisition date. Financial assets are recognized on the settlement date and derecognized when the group has lost its contractual rights to the cash flows or when it has transferred substantial part of all the risks and rewards of ownership to parties outside the group.

Liabilities

Liabilities are valued at the nominal value. Transaction costs are expensed as incurred.

Derivatives Financial Instruments

The company has entered into interest rate swap agreements to hedge the interest rate risk arising from the variable rate loans. The contracts, which have been designated as effective hedges, have been treated with net method. The negative fair values of the non-effective contracts have been released into financial income and expenses of profit and loss statement.

Deferred tax assets and liabilities

Deferred tax assets and liabilities of the Group are calculated with a current tax rate as temporary differences between taxation and financial statements.

Deferred tax assets are recognized at the probable amount in the balance sheet. Deferred taxes are not recognized in parent company income statement or balance sheet.

Ordinary repair and maintenance

Ordinary repair and maintenance costs are expensed as they incur.

External services

External services include among other things expenses from rented personnel and expenses from cleaning and laundry services used by the hotel.

Pensions

Payments for defined contribution plans are made to a pension insurance company. Payments made for defined contribution plans are recognized as expenses in the income statement for the financial period to which the debit relates.

Direct taxes

Taxes based on taxable income for the period are calculated on taxable income using the tax rate that is in force in the country in which the particular subsidiary is based. The amount of tax is adjusted for any taxes concerning previous periods.

Revenue recognition

Revenue from services is recognized as income when the service is rendered to the customer. Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer. At that time, the group has no longer any supervision or control power over the good sold.

Rental income from holiday homes and revenue from hotels are recognized when the customer has accommodated. Income from restaurants and from other services related to hotel activities are recognized as revenue when the service is rendered. Rental income from retail premises are recognized on a straight-line basis over the rental period. Sales of timeshare weeks are recognized at the closing of the deal, so that the company will record a so-called cancellation provision in case of future cancellation of deals. This is done based on previous experience and statistics on customer behavior. Statutory cancellation time is 14 days from the moment the deal was signed.

Income from Villas apartments is recognized by using the stage of completion method in accordance with the guidelines of the Confederation of Finnish Construction Industries and the Finnish Accounting Board. The percentage of completion is defined based on the percentage of the completion of the construction project and the percentage of the shares sold.

Use of estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions regarding future events. Actual results may differ from these estimates and assumptions. In addition, management must exercise judgment in applying accounting principles. Estimates are based on management's best knowledge at the time. Possible changes in estimates and assumptions are recognized during the period in which the estimates or assumptions are adjusted and in all subsequent financial periods.

The key assumptions and uncertainties concerning the future, which may cause significant changes in the carrying values of assets and liabilities within the next financial year are as follows:

Impairment losses

The group reviews fixed assets and inventory annually and evaluates indications of impairment as set out above in the accounting policies.

Revenue recognition

Timeshare weeks have a 14-day cancellation right stated by the Consumer Protection Act. The cancellation policy is taken into account in profit recognition by taking advantage of the experience and statistics on customer behavior.

Receivables

From uncertain loans and any permanent impairments, the group recognizes a credit loss in accordance with the principle of prudence.

Note : FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 69.26 = FC1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

NOTES TO THE FINANCIAL STATEMENTS

1. TURNOVER

TURNOVER BY BUSINESS AREAS

Business area review	Group		Parent	
	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.4.2016-31.3.2017	1.10.2014-31.3.2016
Eur				
Timeshare.....	45,783,445.90	67,301,791.91	38,738,272.77	55,141,491.67
Service sector.....	63,586,894.99	71,797,235.74	52,117,187.18	64,556,890.30
Renting.....	4,913,955.27	6,735,906.38	3,146,288.94	4,074,983.87
Real Estate Management..	5,317,604.13	8,336,129.11	2,511,196.61	4,125,536.17
Villas.....	33,463,691.31	25,054,650.10	29,850,576.84	23,497,050.42
Other Sales.....	1,962,846.80	4,157,291.23	121,181.24	18,664.03
Total.....	155,028,438.40	183,383,004.47	126,484,703.58	151,414,616.46

The Villas turnover for current financial year includes 17,977,252.00eur (2016/4,136,890eur) from ongoing projects, where revenue recognition has been done with a percentage of completion method.

Rs.	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.4.2016-31.3.2017	1.10.2014-31.3.2016
Timeshare.....	3,170,732,545.50	4,660,985,598.73	2,682,819,080.69	3,818,824,005.61
Service sector.....	4,403,710,412.40	4,972,317,561.17	3,609,375,798.15	4,470,887,437.73
Renting.....	340,315,972.49	466,495,196.35	217,896,240.54	282,213,007.92
Real Estate Management..	368,270,674.02	577,318,621.51	173,912,921.23	285,714,007.45
Villas.....	2,317,527,941.36	1,735,159,792.68	2,067,301,699.05	1,627,288,226.84
Other Sales.....	135,936,955.46	287,913,204.13	8,392,406.78	1,292,577.40
Total.....	10,736,494,501.23	12,700,189,974.57	8,759,698,146.43	10,486,219,262.94

The Villas turnover for current financial year includes Rs 1,245,014,587.26 (2016/ Rs 286,500,316.95) from ongoing projects, where revenue recognition has been done with a percentage of completion method.

TURNOVER BY MARKET AREAS

Geographical review	Group		Parent	
	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.4.2016-31.3.2017	1.10.2014-31.3.2016
Eur				
Finland.....	126,806,305.13	153,531,427.00	126,484,703.75	151,414,616.46
Sweden.....	18,068,336.97	11,617,565.19	-	-
Spain.....	10,153,796.30	18,234,012.28	-	-
Total.....	155,028,438.40	183,383,004.47	126,484,703.75	151,414,616.46

Rs.	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.4.2016-31.3.2017	1.10.2014-31.3.2016
Finland.....	8,781,970,661.78	10,632,818,976.89	8,759,698,158.21	10,486,219,262.94
Sweden.....	1,251,322,676.69	804,574,477.23	-	-
Spain.....	703,201,162.76	1,262,796,520.45	-	-
Total.....	10,736,494,501.23	12,700,189,974.57	8,759,698,158.21	10,486,219,262.94

2. OTHER OPERATING INCOME

	Group		Parent	
	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.4.2016-31.3.2017	1.10.2014-31.3.2016
Eur				
Profit from the sales of fixed assets.....	1,073,156.16	3,061,088.63	899,705.08	2,524,443.79
Other income.....	5,356,996.48	9,036,538.52	4,360,638.19	8,174,399.93
Profit from mergers.....	-	-	54,264.39	3,226,509.99
Group reserve recognition..	-	778,217.89	-	-
Total.....	6,430,152.64	12,875,845.04	5,314,607.66	13,925,353.71

Rs.	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.4.2016-31.3.2017	1.10.2014-31.3.2016
Profit from the sales of fixed assets.....	74,321,429.73	211,995,693.07	62,309,075.32	174,830,354.68
Other income.....	370,998,791.33	625,825,475.20	301,995,997.85	566,118,067.15
Profit from mergers.....	-	-	3,758,080.33	223,451,949.36
Group reserve recognition..	-	53,895,479.97	-	-
Total.....	445,320,221.06	891,716,648.25	368,063,153.49	964,400,371.19

3. MATERIALS AND SERVICES

Materials and supplies	Group		Parent	
	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.4.2016-31.3.2017	1.10.2014-31.3.2016
Eur				
Purchases during the financial year.....	53,477,209.49	51,022,197.76	51,439,791.26	49,424,006.11
Change in inventory.....	(5,459,260.20)	(782,992.35)	(9,763,483.05)	(3,566,112.00)
Total.....	48,017,949.30	50,239,205.41	41,676,308.21	45,857,894.11
External services.....	13,262,950.70	12,294,956.72	11,919,056.84	10,303,026.09
Materials and services total.....	61,280,900.00	62,534,162.13	53,595,365.05	56,160,920.20

Rs.	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.4.2016-31.3.2017	1.10.2014-31.3.2016
Purchases during the financial year.....	3,703,564,143.44	3,533,542,305.87	3,562,462,743.71	3,422,859,543.15
Change in inventory.....	(378,081,064.93)	(54,226,135.20)	(676,170,018.63)	(246,971,086.56)
Total.....	3,325,483,078.50	3,479,316,170.67	2,886,292,725.08	3,175,888,456.59
External services.....	918,525,651.06	851,487,227.64	825,454,281.45	713,536,071.86
Materials and services total.....	4,244,008,729.56	4,330,803,398.31	3,711,747,006.54	3,889,424,528.45

4. PERSONNEL AND MEMBERS OF THE BOARD

PERSONNEL EXPENSES

Eur	Group		Parent	
	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.4.2016-31.3.2017	1.10.2014-31.3.2016
Salaries, wages, commissions.....	30,584,277.63	42,602,369.02	22,193,033.09	32,536,463.48
Pension expenses.....	4,268,934.26	6,072,222.84	4,073,072.73	6,122,419.52
Other indirect employee expenses.....	2,992,364.13	4,463,324.41	1,241,872.43	1,793,162.92
Total.....	37,845,576.01	53,137,916.27	27,507,978.25	40,452,045.92

Rs.	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.4.2016-31.3.2017	1.10.2014-31.3.2016
Salaries, wages, commissions.....	2,118,114,147.11	2,950,427,066.48	1,536,978,506.65	2,253,312,778.31
Pension expenses.....	295,645,041.95	420,531,792.78	282,080,651.92	424,008,163.86
Other indirect employee expenses.....	207,236,177.56	309,107,532.01	86,005,875.14	124,185,498.02
Total.....	2,620,995,366.62	3,680,066,391.28	1,905,065,033.70	2,801,506,440.19

HOLIDAY CLUB RESORTS OY

EXECUTIVE REMUNERATION

	Group	Group	Parent	Parent
	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.4.2016-31.3.2017	1.10.2014-31.3.2016
Eur				
Chief executive officers.....	534,476.27	742,448.95	-	-
Members of the board of directors	55,000.00	91,500.00	55,000.00	91,500.00
Total	589,476.27	833,948.95	55,000.00	91,500.00

	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.4.2016-31.3.2017	1.10.2014-31.3.2016
Rs.				
Chief executive officers.....	37,015,154.24	51,418,301.85	-	-
Members of the board of directors	3,809,025.00	6,336,832.50	3,809,025.00	6,336,832.50
Total	40,824,179.24	57,755,134.35	3,809,025.00	6,336,832.50

THE AVERAGE NUMBER OF EMPLOYEES DURING THE FINANCIAL YEAR

	Group	Group	Parent	Parent
	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.4.2016-31.3.2017	1.10.2014-31.3.2016
Employees.....	780	782	510	504
Total	780	782	510	504

5. DEPRECIATIONS AND IMPAIRMENTS

	Group	Group	Parent	Parent
	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.4.2016-31.3.2017	1.10.2014-31.3.2016
Eur				
Intangible assets.....	758,614.24	1,021,737.83	753,438.91	1,021,737.83
Goodwill	720,639.60	972,855.17	242,629.13	405,443.04
Other long-term expenses..	1,215,217.00	1,543,142.85	1,211,235.53	1,534,952.35
Buildings and structures ..	781,741.45	963,982.78	85,024.75	14,503.11
Machinery and equipment..	2,565,773.32	3,621,784.57	1,892,045.89	2,656,791.82
Other tangible assets	100,270.41	135,972.80	94,560.41	6,018.22
Impairment losses from investments in non current Assets	17,683.58	3,204,679.25	-	420,173.62
Total	6,159,939.61	11,464,155.25	4,278,934.62	6,059,619.99
Group goodwill	11,407.80	82,542.07	-	-
Total	6,171,347.41	11,546,697.32	4,278,934.62	6,059,619.99

	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.4.2016-31.3.2017	1.10.2014-31.3.2016
Rs.				
Intangible assets.....	52,537,828.97	70,760,453.42	52,179,411.71	70,760,453.42
Goodwill	49,907,895.61	67,375,084.80	16,803,280.40	28,078,957.74
Other long-term expenses..	84,159,853.34	106,870,358.08	83,884,116.63	106,303,125.00
Buildings and structures ..	54,139,504.35	66,760,627.43	5,888,389.06	1,004,412.88
Machinery and equipment..	177,692,631.38	250,826,690.40	131,033,638.11	183,996,117.49
Other tangible assets	6,944,227.24	9,416,796.26	6,548,781.19	416,791.83
Impairment losses from investments in non current Assets	1,224,676.47	221,940,061.46	-	29,099,124.05
Total	426,606,617.35	793,950,071.84	296,337,617.11	419,658,982.41

	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.4.2016-31.3.2017	1.10.2014-31.3.2016
Rs.				
Group goodwill	790,047.19	5,716,451.06	-	-
Total	427,396,664.54	799,666,522.90	296,337,617.11	419,658,982.41

6. OTHER OPERATING EXPENSES

	Group	Group	Parent	Parent
	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.4.2016-31.3.2017	1.10.2014-31.3.2016
Eur				
Voluntary employee expenses	724,889.59	692,389.42	626,273.62	544,674.24
Rents	17,301,480.89	20,249,982.48	13,957,321.24	19,365,618.83
Maintenance fees	5,861,201.75	8,946,340.96	6,427,671.06	8,714,297.17
Marketing expenses	9,692,318.09	13,954,608.41	8,856,456.33	10,972,359.51
Travel and entertainment expenses	1,085,510.88	1,708,968.00	1,109,611.38	1,329,439.65
Maintenance expenses.....	2,638,490.58	3,777,110.23	3,494,612.52	4,291,770.80
Real estate expenses	7,741,960.63	9,855,635.70	5,219,953.96	6,613,356.19
Other operating expenses...	11,437,472.81	12,743,058.21	4,315,969.51	11,355,394.67
Total	56,483,325.21	71,928,093.41	44,007,869.62	63,186,911.06

	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.4.2016-31.3.2017	1.10.2014-31.3.2016
Rs.				
Voluntary employee expenses	50,202,228.83	47,951,429.28	43,372,579.55	37,721,414.49
Rents	1,198,214,059.03	1,402,412,536.65	966,614,282.48	1,341,165,932.07
Maintenance fees	405,917,527.20	619,578,843.18	445,148,359.26	603,508,650.51
Marketing expenses	671,241,489.31	966,426,405.43	613,353,883.13	759,890,757.87
Travel and entertainment expenses	75,177,055.99	118,354,578.84	76,846,136.12	92,070,342.96
Maintenance expenses.....	182,728,664.82	261,583,768.98	242,019,390.07	297,226,586.75
Real estate expenses	536,169,483.14	682,552,050.40	361,507,911.50	458,007,982.94
Other operating expenses...	792,102,179.36	882,520,496.33	298,902,468.42	786,417,857.87
Total	3,911,752,687.69	4,981,380,109.11	3,047,765,010.53	4,376,009,525.46

AUDITING FEES

	Group	Group	Parent	Parent
	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.4.2016-31.3.2017	1.10.2014-31.3.2016
Eur				
Auditing services	287,546.73	277,498.44	197,932.53	191,990.71
Tax consultancy	22,385.20	67,114.49	1,985.20	1,701.60
Other fees	16,225.15	4,513.21	15,000.00	48,428.29
Total	326,157.08	349,126.14	214,917.73	242,120.60

	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.4.2016-31.3.2017	1.10.2014-31.3.2016
Rs.				
Auditing services	19,914,048.79	19,218,154.46	13,707,817.37	13,296,316.62
Tax consultancy	1,550,287.03	4,648,014.00	137,485.03	117,844.31
Other fees	1,123,672.76	312,562.36	1,038,825.00	3,353,901.22
Total	22,588,008.58	24,178,730.83	14,884,127.39	16,768,062.15

7. FINANCIAL INCOME AND EXPENSE

	Group		Parent	
	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.4.2016-31.3.2017	1.10.2014-31.3.2016
Eur				
Dividends	782.00	514.80	782.00	514.80
Interest from Cooperative Capital.....	-	-	-	-
Other interest and financial income				
Group companies	-	-	393,154.45	897,591.44
Associated companies	-	16,925.34	-	16,925.34
Others.....	2,563,191.01	395,511.16	279,025.51	115,439.91
Total interest income	2,563,191.01	412,436.50	672,179.96	1,029,956.69
Total for financial income	2,563,191.01	412,436.50	672,179.96	1,029,956.69
Interest expenses and other financial expenses				
Group companies	-	-	146,724.55	421,472.00
Others.....	984,489.55	2,113,149.47	981,566.62	1,754,796.13
Other financial expenses				
Impairment losses from financial securities	-	2,103,464.08	617,271.57	2,725,932.42
Changes in derivatives fair values.....	51,738.71	-	51,738.71	-
Others.....	2,474,897.03	496,513.15	153,019.50	312,180.24
Total interest expenses...	3,511,125.29	4,713,126.70	1,950,320.95	5,214,380.79
Financial income and expense	(947,152.28)	(4,300,175.40)	(1,277,358.99)	(4,183,909.30)
Rs.				
Dividends	54,157.41	35,652.47	54,157.41	35,652.47
Other interest and financial income				
Group companies	-	-	27,227,911.43	62,162,695.18
Associated companies	-	1,172,164.42	-	1,172,164.42
Others.....	177,513,793.14	27,391,125.39	19,323,911.70	7,994,790.97
Total interest income	177,513,793.14	28,563,289.81	46,551,823.13	71,329,650.57
Total for financial income	177,513,793.14	28,563,289.81	46,551,823.13	71,329,650.57
Interest expenses and other financial expenses				
Group companies	-	-	10,161,408.71	29,189,043.36
Others.....	68,180,823.79	146,346,166.54	67,978,396.27	121,528,405.98
Other financial expenses				
Impairment losses from financial securities	-	145,675,404.86	42,749,142.58	188,784,449.75
Changes in derivatives fair values.....	3,583,164.36	-	3,583,164.36	-

	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.4.2016-31.3.2017	1.10.2014-31.3.2016
Rs.				
Others.....	171,398,993.81	34,386,018.20	10,597,365.47	21,620,042.52
Total interest expenses...	243,162,981.96	326,407,589.61	135,069,477.39	361,121,941.61
Financial income and expense	(65,595,031.41)	(297,808,647.33)	(88,463,496.85)	(289,756,638.57)

From the financial year 2009-2010 onwards, unrealized exchange rate gains from long-term loan receivables have been presented in accrued expenses in parent company according to the principle of prudence. Exchange rate differences from internal loans are presented in equity as translation differences in Group accounts.

8. APPROPRIATIONS

	Group		Parent	
	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.4.2016-31.3.2017	1.10.2014-31.3.2016
Eur				
Change in accumulated depreciation.....	-	-	130,769.55	1,319,697.75
Group contribution	-	-	(109,482.00)	-
Total	-	-	21,287.55	1,319,697.75
Rs.				
Change in accumulated depreciation	-	-	9,056,445.19	91,395,667.68
Group contribution.....	-	-	(7,582,175.91)	-
Total	-	-	1,474,269.28	91,395,667.68

9. INCOME TAXES

	Group		Parent	
	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.4.2016-31.3.2017	1.10.2014-31.3.2016
Eur				
Income taxes from operating activities.....	(344,837.03)	(43,352.38)	335,015.08	-
Income taxes, previous financial year	(152,812.50)	2,501.98	16,063.68	4,738.67
Change in deferred tax receivables.....	76,737.77	468,516.00	-	-
Change in deferred tax liabilities	172,710.50	178,040.02	-	-
Total	(248,201.26)	605,705.62	351,078.76	4,738.67
Rs.				
Income taxes from operating activities.....	(23,881,688.51)	(3,002,369.08)	23,201,469.37	-
Income taxes, previous financial year	(10,583,029.69)	173,274.62	1,112,490.16	328,176.59
Change in deferred tax receivables.....	5,314,474.34	32,447,075.58	-	-
Change in deferred tax liabilities	11,961,065.49	12,330,161.59	-	-
Total	(17,189,178.37)	41,948,142.71	24,313,959.52	328,176.59

NOTES TO THE BALANCE SHEET

FIXED ASSETS

10. INTANGIBLE ASSETS AND GROUP GOODWILL, GROUP

Eur	Intangible assets	Other long-term expenses	Goodwill	Advance payments	Group goodwill	Total
Acquisition cost 1.4.2016	4,449,439.12	8,976,550.40	6,955,518.73	40,724.71	4,127,302.58	24,549,535.54
Translation difference	(39.80)	-	(21,914.45)	-	-	(21,954.25)
Additions	269,287.15	1,723,357.35	-	-	-	1,992,644.50
Deductions	(126,785.42)	(903,816.33)	(24,767.96)	-	-	(1,055,369.71)
Transfers between items	181,591.55	-	-	(40,724.71)	-	140,866.84
Correction between acquisition cost and accumulated depreciations	(169,320.67)	226,297.63	(40,577.89)	-	(3,656,923.10)	(3,640,524.03)
Acquisition cost 31.3.2017	4,604,171.93	10,022,389.05	6,868,258.43	-	470,379.48	21,965,198.89
Accumulated depreciations 1.4.2016	(2,184,487.98)	(5,636,137.91)	(3,348,955.44)	-	(4,069,312.71)	(15,238,894.04)
Translation difference	6.96	-	1,739.36	-	-	1,746.32
Accumulated depreciations from transfers/ deductions	126,785.42	903,816.33	24,767.96	-	-	1,055,369.71
Depreciations	(756,738.50)	(1,217,092.74)	(720,639.60)	-	(11,407.80)	(2,705,878.64)
Correction between acquisition cost and accumulated depreciations	169,320.66	(226,297.07)	40,577.87	-	3,656,923.10	3,640,524.56
Accumulated depreciations 31.3.2017	(2,645,113.44)	(6,175,711.39)	(4,002,509.85)	-	(423,797.41)	(13,247,132.09)
Book value 31.3.2017	1,959,058.49	3,846,677.66	2,865,748.58	-	46,582.07	8,718,066.80

Rs.	Intangible assets	Other long-term expenses	Goodwill	Advance payments	Group goodwill	Total
Acquisition cost 1.4.2016	308,145,906.26	621,670,997.95	481,704,449.65	2,820,389.79	285,836,340.18	1,700,178,083.82
Translation difference	(2,756.45)	-	(1,517,685.09)	-	-	(1,520,441.54)
Additions	18,649,481.66	119,351,113.27	-	-	-	138,000,594.94
Deductions	(8,780,524.26)	(62,593,799.93)	(1,715,305.07)	-	-	(73,089,629.27)
Transfers between items	12,576,122.80	-	-	(2,820,389.79)	-	9,755,733.00
Correction between acquisition cost and accumulated depreciations	(11,726,303.00)	15,672,242.37	(2,810,221.57)	-	(253,260,209.29)	(252,124,491.50)
Acquisition cost 31.3.2017	318,861,927.00	694,100,553.66	475,661,237.91	-	32,576,130.89	1,521,199,849.46
Accumulated depreciations 1.4.2016	(151,286,715.05)	(390,330,730.96)	(231,931,909.00)	-	(281,820,251.73)	(1,055,369,606.74)
Translation difference	481.85	-	120,459.31	-	-	120,941.17
Accumulated depreciations from transfers/ deductions	8,780,524.26	62,593,799.93	1,715,305.07	-	-	73,089,629.27
Depreciations	(52,407,924.60)	(84,289,757.71)	(49,907,895.61)	-	(790,047.19)	(187,395,625.10)
Correction between acquisition cost and accumulated depreciations	11,726,302.31	(15,672,203.58)	2,810,220.21	-	253,260,209.29	252,124,528.23
Accumulated depreciations 31.3.2017	(183,187,331.23)	(427,698,892.31)	(277,193,820.01)	-	(29,350,089.63)	(917,430,133.18)
Book value 31.3.2017	135,674,595.77	266,401,661.34	198,467,417.90	-	3,226,041.26	603,769,716.27

10. INTANGIBLE ASSETS, PARENT COMPANY

Eur	Intangible assets	Other long-term expenses	Goodwill	Advance payments	Total
Acquisition cost 1.4.2016	4,280,118.45	9,168,636.85	2,726,291.67	40,724.71	16,215,771.68
Additions	250,411.74	1,716,287.12	-	-	1,966,698.86
Deductions	(126,785.42)	(903,816.33)	(24,767.96)	-	(1,055,369.71)
Transfers between items	181,591.55	-	-	(40,724.71)	140,866.84
Acquisition cost 31.3.2017	4,585,336.32	9,981,107.64	2,701,523.71	-	17,267,967.67
Accumulated depreciations 1.4.2016	(2,015,167.32)	(5,845,164.87)	(1,532,531.73)	-	(9,392,863.92)
Accumulated depreciations from transfers/deductions	126,785.42	903,816.33	24,767.96	-	1,055,369.71
Depreciations for the financial year	(753,438.91)	(1,211,235.53)	(242,629.13)	-	(2,207,303.57)
Accumulated depreciations 31.3.2017	(2,641,820.81)	(6,152,584.07)	(1,750,392.90)	-	(10,544,797.78)
Book value 31.3.2017	1,943,515.51	3,828,523.57	951,130.81	-	6,723,169.89

Rs.	Intangible assets	Other long-term expenses	Goodwill	Advance payments	Total
Acquisition cost 1.4.2016	296,419,603.25	634,973,945.05	188,809,329.61	2,820,389.79	1,123,023,267.70
Additions	17,342,265.05	118,861,464.50	–	–	136,203,729.55
Deductions	(8,780,524.26)	(62,593,799.93)	(1,715,305.07)	–	(73,089,629.27)
Transfers between items	12,576,122.80	–	–	(2,820,389.79)	9,755,733.00
Acquisition cost 31.3.2017	317,557,466.84	691,241,609.61	187,094,024.54	–	1,195,893,100.99
Accumulated depreciations 1.4.2016	(139,560,412.75)	(404,806,893.07)	(106,135,484.96)	–	(650,502,790.78)
Accumulated depreciations from transfers/deductions	8,780,524.26	62,593,799.93	1,715,305.07	–	73,089,629.27
Depreciations for the financial year	(52,179,411.71)	(83,884,116.63)	(16,803,280.40)	–	(152,866,808.74)
Accumulated depreciations 31.3.2017	(182,959,300.20)	(426,097,209.77)	(121,223,460.29)	–	(730,279,970.25)
Book value 31.3.2017	134,598,166.65	265,144,399.84	65,870,564.25	–	465,613,130.73

11. TANGIBLE ASSETS, GROUP

Eur	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Unfinished assets and advance payments	Total
Acquisition cost 1.4.2016	14,272,949.72	20,089,360.90	19,467,421.22	2,973,291.73	38,818.15	56,841,841.72
Translation difference	(33,749.11)	(64,581.83)	(15,876.37)	–	(5,482.77)	(119,690.07)
Additions	461,107.00	26,781.47	1,428,821.18	260,611.64	3,503,637.37	5,680,958.66
Deductions	(611,982.68)	(20,346.51)	(220,769.17)	–	(9,980.73)	(863,079.09)
Transfers between items	–	–	8,799.20	–	(149,666.04)	(140,866.84)
Correction between acquisition cost and accumulated depreciations	–	(1,337,074.49)	(520,751.18)	–	–	(1,857,825.67)
Acquisition cost 31.3.2017	14,088,324.93	18,694,139.54	20,147,644.88	3,233,903.37	3,377,325.98	59,541,338.71
Accumulated depreciations 1.4.2016	(2,895,128.96)	(3,898,284.70)	(10,242,731.19)	(916,493.99)	–	(17,952,638.84)
Translation difference	–	5,329.90	1,164.24	–	–	6,494.14
Accumulated depreciations from deductions and transfers	–	4,408.49	168,336.30	–	–	172,744.79
Depreciations/impairments for the financial year	–	(781,741.32)	(2,565,773.95)	(100,270.41)	–	(3,447,785.68)
Correction between acquisition cost and accumulated depreciations	–	1,289,045.43	568,853.20	–	–	1,857,898.63
Accumulated depreciations 31.3.2017	(2,895,128.96)	(3,381,242.20)	(12,070,151.40)	(1,016,764.40)	–	(19,363,286.96)
Book value 31.3.2017	11,193,195.97	15,312,897.35	8,077,493.48	2,217,138.97	3,377,325.98	40,178,051.75

Rs.	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Unfinished assets and advance payments	Total
Acquisition cost 1.4.2016	988,473,132.99	1,391,288,688.90	1,348,216,256.59	205,915,318.76	2,688,350.98	3,936,581,748.21
Translation difference	(2,337,294.58)	(4,472,614.41)	(1,099,517.79)	–	(379,708.92)	(8,289,135.71)
Additions	31,933,965.29	1,854,750.70	98,953,010.82	18,048,659.13	242,644,406.06	393,434,792.00
Deductions	(42,382,860.38)	(1,409,097.28)	(15,289,369.20)	–	(691,215.46)	(59,772,542.31)
Transfers between items	–	–	609,388.60	–	(10,365,121.60)	(9,755,733.00)
Accumulated depreciations from deductions and transfers	–	(92,599,093.75)	(36,064,622.89)	–	–	(128,663,716.64)
Acquisition cost 31.3.2017	975,686,943.31	1,294,662,634.17	1,395,325,146.12	223,963,977.89	233,896,711.06	4,123,535,412.55
Accumulated depreciations 1.4.2016	(200,502,156.12)	(269,975,706.90)	(709,360,348.56)	(63,471,791.28)	–	(1,243,310,002.86)
Translation difference	–	369,122.31	80,629.37	–	–	449,751.68
Accumulated depreciations from deductions and transfers	–	305,309.99	11,658,130.36	–	–	11,963,440.36
Depreciations/impairments for the financial year	–	(54,139,495.25)	(177,692,674.99)	(6,944,227.24)	–	(238,776,397.48)
Accumulated depreciations 31.3.2017	(200,502,156.12)	(234,167,928.48)	(835,918,335.43)	(70,416,018.52)	–	(1,341,004,438.55)
Book value 31.3.2017	775,184,787.19	1,060,494,705.69	559,406,810.69	153,547,959.37	233,896,711.06	2,782,530,974.00

HOLIDAY CLUB RESORTS OY

11. TANGIBLE ASSETS, PARENT COMPANY

	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Unfinished assets and advance payments	Total
Eur						
Acquisition cost 1.4.2016	3,064,784.12	2,157,316.91	14,141,287.57	2,806,673.17	27,788.15	22,197,849.92
Additions	460,996.00	–	1,067,255.35	260,611.64	903,497.26	2,692,360.25
Deductions	(71,502.01)	–	(144,938.08)	–	(9,980.73)	(226,420.82)
Transfers between items/merger	7,525.55	181,363.57	8,799.20	–	(149,666.04)	48,022.28
Acquisition cost 31.3.2017	3,461,803.66	2,338,680.48	15,072,404.04	3,067,284.81	771,638.64	24,711,811.63
Accumulated depreciations and impairments 1.4.2016	(583,297.97)	(261,244.62)	(8,030,395.59)	(900,555.44)	–	(9,775,493.62)
Accumulated depreciations from deductions and transfers	–	(80,466.21)	113,923.95	–	–	33,457.74
Depreciations for the financial year	–	(85,024.75)	(1,892,045.89)	(94,560.41)	–	(2,071,631.05)
Accumulated depreciations 31.3.2017	(583,297.97)	(426,735.58)	(9,808,517.53)	(995,115.85)	–	(11,813,666.93)
Book value 31.3.2017	2,878,505.69	1,911,944.90	5,263,886.51	2,072,168.96	771,638.64	12,898,144.70

	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Unfinished assets and advance payments	Total
Rs.						
Acquisition cost 1.4.2016	212,251,624.23	149,404,982.60	979,354,870.66	194,376,150.39	1,924,468.33	1,537,312,096.21
Additions	31,926,277.98	–	73,912,769.26	18,048,659.13	62,571,702.74	186,459,409.11
Deductions	(4,951,871.70)	–	(10,037,686.73)	–	(691,215.46)	(15,680,773.89)
Transfers between items/merger	521,181.97	12,560,334.04	609,388.60	–	(10,365,121.60)	3,325,783.00
Acquisition cost 31.3.2017	239,747,212.47	161,965,316.64	1,043,839,341.79	212,424,809.52	53,439,834.01	1,711,416,514.44
Accumulated depreciations and impairments 1.4.2016	(40,396,300.91)	(18,092,496.16)	(556,145,046.59)	(62,367,967.00)	–	(677,001,810.65)
Accumulated depreciations from deductions and transfers	–	(5,572,687.37)	7,889,803.16	–	–	2,317,115.78
Depreciations for the financial year	–	(5,888,389.06)	(131,033,638.11)	(6,548,781.19)	–	(143,470,808.37)
Accumulated depreciations 31.3.2017	(40,396,300.91)	(29,553,572.59)	(679,288,881.54)	(68,916,748.19)	–	(818,155,503.24)
Book value 31.3.2017	199,350,911.56	132,411,744.05	364,550,460.25	143,508,061.32	53,439,834.01	893,261,011.20

12. INVESTMENTS, GROUP

	Other shares	Shares in associated companies	Other receivables	Receivables from associated companies	Total
Eur					
Acquisition cost 1.4.2016	3,589,125.54	357,685.58	58,468.68	–	4,005,279.80
Additions	1,000.00	62,500.00	3,040.00	–	66,540.00
Deductions	–	(7,217.77)	–	–	(7,217.77)
Share of associated companies' results	–	6,741.20	–	–	6,741.20
Transfers between items	(269.99)	–	–	–	(269.99)
Book value 31.3.2017	3,589,855.55	419,709.01	61,508.68	–	4,071,073.24

	Other shares	Shares in associated companies	Other receivables	Receivables from associated companies	Total
Rs.					
Acquisition cost 1.4.2016	248,564,889.24	24,771,514.84	4,049,248.43	–	277,385,652.51
Additions	69,255.00	4,328,437.50	210,535.20	–	4,608,227.70
Deductions	–	(499,866.66)	–	–	(499,866.66)
Share of associated companies' results	–	466,861.81	–	–	466,861.81
Transfers between items	(18,698.16)	–	–	–	(18,698.16)
Book value 31.3.2017	248,615,446.08	29,066,947.49	4,259,783.63	–	281,942,177.20

12. INVESTMENTS, PARENT COMPANY

Eur	Shares in group companies	Shares in associated companies	Other shares	Receivables from group companies	Receivables from associated companies	Other receivables	Total
Acquisition cost 1.4.2016	9,947,731.48	1,473,392.52	4,048,700.74	13,197,402.79	18,000.00	97,110.20	28,782,337.73
Additions	1,350,838.25	62,500.00	1,000.00	-	-	3,040.00	1,417,378.25
Deductions	(1,340,836.41)	(7,967.77)	-	(424,905.36)	-	-	(1,773,709.54)
Deductions from mergers.....	(59,695.51)	-	-	-	-	-	(59,695.51)
Acquisition cost 31.3.2017	9,898,037.81	1,527,924.75	4,049,700.74	12,772,497.43	18,000.00	100,150.20	28,366,310.93
Accumulated depreciations and impairments 1.4.2016.....	(912,506.57)	(879,224.75)	(460,845.19)	-	(18,000.00)	(38,641.52)	(2,309,218.03)
Impairments for the financial year.....	(617,101.73)	-	-	-	-	-	(617,101.73)
Accumulated depreciations 31.3.2017.....	(1,529,608.30)	(879,224.75)	(460,845.19)	-	(18,000.00)	(38,641.52)	(2,926,319.76)
Book value 31.3.2017	8,368,429.51	648,700.00	3,588,855.55	12,772,497.43	-	61,508.68	25,439,991.17

Rs.	Shares in group companies	Shares in associated companies	Other shares	Receivables from group companies	Receivables from associated companies	Other receivables	Total
Acquisition cost 1.4.2016	688,930,143.65	102,039,798.97	280,392,769.75	913,986,130.22	1,246,590.00	6,725,366.90	1,993,320,799.49
Additions	93,552,303.00	4,328,437.50	69,255.00	-	-	210,535.20	98,160,530.70
Deductions	(92,859,625.57)	(551,807.91)	-	(29,426,820.71)	-	-	(122,838,254.19)
Deductions from mergers.....	(4,134,212.55)	-	-	-	-	-	(4,134,212.55)
Acquisition cost 31.3.2017	685,488,608.53	105,816,428.56	280,462,024.75	884,559,309.51	1,246,590.00	6,935,902.10	1,964,508,863.46
Accumulated depreciations and impairments 1.4.2016.....	(63,195,642.51)	(60,890,710.06)	(31,915,833.63)	-	(1,246,590.00)	(2,676,118.47)	(159,924,894.67)
Impairments for the financial year.....	(42,737,380.31)	-	-	-	-	-	(42,737,380.31)
Accumulated depreciations 31.3.2017.....	(105,933,022.82)	(60,890,710.06)	(31,915,833.63)	-	(1,246,590.00)	(2,676,118.47)	(202,662,274.98)
Book value 31.3.2017	579,555,585.72	44,925,718.50	248,546,191.12	884,559,309.51	-	4,259,783.63	1,761,846,588.48

13. GROUP COMPANIES

Consolidated	Domicile	Group ownership %	Parent ownership %
Kiinteistö Oy Himoksen Tähti 2	Helsinki	100.00	100.00
Holiday Club Canarias Investment S.L.	Las Palmas	100.00	-
Holiday Club Canarias Resort Management S.L.	Las Palmas	100.00	-
Holiday Club Canarias Sales & Marketing S.L.	Las Palmas	100.00	-
Holiday Club Rus LLC	Pietari	100.00	100.00
Holiday Club Sweden AB	Åre	100.00	100.00
Kiinteistö Oy Himos Gardens	Helsinki	100.00	100.00
Kiinteistö Oy Rauhanranta 1	Helsinki	100.00	100.00
Kiinteistö Oy Rauhanranta 2	Helsinki	100.00	100.00
Kiinteistö Oy Katinnurkka	Helsinki	100.00	100.00
Kiinteistö Oy Tiurunniemi	Helsinki	100.00	100.00
Kiinteistö Oy Tenetinlahti	Helsinki	100.00	100.00
Kiinteistö Oy Vanha Ykköstii	Helsinki	100.00	100.00
Suomen Vapaa-aikakiinteistöt Oy	Tampere	100.00	100.00
Ownership Services AB	Åre	100.00	-
Kiinteistö Oy Kylpylätorni 1	Lappeenranta	100.00	100.00
Kiinteistö Oy Rauhan Liikekiinteistöt 1	Lappeenranta	100.00	100.00
Åre Villas 1 Ab	Åre	100.00	-
Åre Villas 2 Ab	Åre	100.00	-
Holiday Club Sport and Spa Hotels Ab	Åre	51.00	-
Kiinteistö Oy Spa Lofts 2	Lappeenranta	100.00	100.00
Kiinteistö Oy Spa Lofts 3	Lappeenranta	100.00	100.00
Kiinteistö Oy Mällönsniemi	Sotkamo	100.00	100.00
Supermarket Capri Oy	Lappeenranta	100.00	100.00

HOLIDAY CLUB RESORTS OY

Associated companies	Domicile	Group ownership %	Parent ownership %
Kiinteistö Oy Seniori-Saimaa	Lappeenranta	31.15	31.15
Koy Sallan Kylpylä	Salla	49.00	49.00
Tropiikin Rantasauna Oy	Kuusamo	50.00	50.00

All associated companies have been consolidated into the group financial statements.

14. INVENTORY

	Group 31.3.2017	Group 31.3.2016	Parent 31.3.2017	Parent 31.3.2016
Eur				
Materials and supplies	820,227.24	714,425.73	655,679.58	547,454.35
Timeshare.....	42,526,671.53	41,535,740.91	31,629,609.58	30,155,747.58
Unfinished construction projects	3,254,461.03	(1,169,286.95)	3,393,430.82	3,974,807.82
Other inventory	2,410,035.31	2,350,330.84	2,410,035.31	2,350,330.84
Villas apartments	4,154,936.22	7,756,277.66	4,218,632.80	1,222,494.78
Total	53,166,331.33	51,187,488.19	42,307,388.09	38,250,835.37
Rs.				
Materials and supplies	56,804,837.51	49,477,553.93	45,409,089.31	37,913,951.01
Timeshare.....	2,945,184,636.81	2,876,557,736.72	2,190,508,611.46	2,088,436,298.65
Unfinished construction projects	225,387,698.63	(80,978,967.72)	235,012,051.44	275,275,315.57
Other inventory	166,906,995.39	162,772,162.32	166,906,995.39	162,772,162.32
Villas apartments	287,750,107.92	537,161,009.34	292,161,414.56	84,663,875.99
Total	3,682,034,276.26	3,544,989,494.60	2,929,998,162.17	2,649,061,603.55

RECEIVABLES

15. LONG-TERM RECEIVABLES

	Group 31.3.2017	Group 31.3.2016	Parent 31.3.2017	Parent 31.3.2016
Eur				
Sales receivables.....	1,463,723.03	1,454,448.02	537,434.45	599,810.90
Loan receivables from group companies.....	-	-	12,821,897.20	12,994,963.55
Loan receivables.....	-	16,666.68	-	16,666.68
Other receivables.....	93,603.26	93,603.26	-	-
Deferred tax receivable.....	1,410,845.37	1,335,277.86	-	-
Total	2,968,171.66	2,899,995.82	13,359,331.65	13,611,441.13
Rs.				
Sales receivables.....	101,370,138.44	100,727,797.63	37,220,022.83	41,539,903.88
Loan receivables from group companies.....	-	-	887,980,490.59	899,966,200.66
Loan receivables.....	-	1,154,250.92	-	1,154,250.92
Other receivables.....	6,482,493.77	6,482,493.77	-	-
Deferred tax receivable.....	97,708,096.34	92,474,668.19	-	-
Total	205,560,728.55	200,839,210.51	925,200,513.42	942,660,355.46

16. SHORT-TERM RECEIVABLES

	Group 31.3.2017	Group 31.3.2016	Parent 31.3.2017	Parent 31.3.2016
Eur				
Sales receivables	16,957,925.24	13,323,111.30	9,011,863.92	7,754,507.19
Receivables from group companies				
Sales receivables	-	-	75,336.53	345,917.24
Loan receivables	-	-	2,611,952.51	2,508,183.85
Accrued income	-	-	1,822,053.31	1,581,052.31
Receivables from group companies, total.....	-	-	4,509,342.35	4,435,153.40
Receivables from associated companies				
Sales receivables	-	26,444.70	-	-
Receivables from associated companies, total.....	-	26,444.70	-	-
Loan receivables	221,363.14	314,327.17	221,363.14	314,327.17
Accrued income	2,771,514.81	3,614,647.47	1,765,673.53	2,167,878.40
Other receivables	1,683,200.48	1,086,082.74	971,842.59	897,176.65
Total	21,634,003.67	18,364,613.38	16,480,085.53	15,569,042.81

Rs.	Group	Group	Parent	Parent
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
Sales receivables	1,174,421,112.45	922,692,073.08	624,116,635.78	537,038,395.44
Receivables from group companies				
Sales receivables	-	-	5,217,431.39	23,956,498.46
Loan receivables	-	-	180,890,771.08	173,704,272.53
Accrued income	-	-	126,186,301.98	109,495,777.73
Receivables from group companies, total	-	-	312,294,504.45	307,156,548.72
Receivables from associated companies				
Sales receivables	-	1,831,427.70	-	-
Receivables from associated companies, total	-	1,831,427.70	-	-
Loan receivables	15,330,504.26	21,768,728.16	15,330,504.26	21,768,728.16
Accrued income	191,941,258.43	250,332,410.53	122,281,720.32	150,136,418.59
Other receivables	116,570,049.22	75,216,660.16	67,304,958.57	62,133,968.90
Total	1,498,262,924.37	1,271,841,299.63	1,141,328,323.38	1,078,234,059.81

RELEVANT ACCRUED INCOME (excluding receivables from group and associated companies)

Eur	Group	Group	Parent	Parent
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
Accrued expenses	1,998,940.95	2,321,539.02	1,095,585.54	1,277,232.54
Tax receivables	97,331.82	426,750.16	74,682.65	154,687.39
Social security receivables	159,602.31	321,441.70	137,292.73	305,729.73
Others	515,639.73	544,915.87	458,112.61	430,228.74
Total	2,771,514.81	3,614,646.75	1,765,673.53	2,167,878.40

Rs.	Group	Group	Parent	Parent
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
Accrued expenses	138,436,655.49	160,778,184.83	75,874,776.57	88,454,739.56
Tax receivables	6,740,715.19	29,554,582.33	5,172,146.93	10,712,875.19
Social security receivables	11,053,257.98	22,261,444.93	9,508,208.02	21,173,312.45
Others	35,710,629.50	37,738,148.58	31,726,588.81	29,795,491.39
Total	191,941,258.17	250,332,360.67	122,281,720.32	150,136,418.59

17. EQUITY

Eur	Group	Group	Parent	Parent
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
RESTRICTED SHAREHOLDERS' EQUITY				
Share capital at the beginning of the financial year	11,959,146.00	9,097,395.00	11,959,146.00	9,097,395.00
Directed share issue	-	2,861,751.00	-	2,861,751.00
Share capital at the end of financial year	11,959,146.00	11,959,146.00	11,959,146.00	11,959,146.00
RESTRICTED SHAREHOLDERS' EQUITY TOTAL	11,959,146.00	11,959,146.00	11,959,146.00	11,959,146.00
NON-RESTRICTED SHAREHOLDERS' EQUITY				
Reserve for invested non-restricted equity at the beginning of the financial year	39,395,174.64	27,779,053.14	39,395,174.64	27,779,053.14
Directed share issue	-	11,616,121.50	-	11,616,121.50
Reserve for invested non-restricted equity at the end of the financial year	39,395,174.64	39,395,174.64	39,395,174.64	39,395,174.64
Profit from previous financial years at the beginning of the financial year	11,636,822.46	20,016,653.96	3,520,004.74	8,274,437.61
Paid Dividends	(950,532.60)	(1,046,732.75)	(950,532.60)	(1,046,732.75)
Change in translation difference	(447,891.36)	(128,709.55)	-	-
Reclassifications for previous financial years	-	6,297.32	-	-
Profit from previous financial years at the end of financial year	10,238,398.50	18,847,508.98	2,569,472.14	7,227,704.86
Profit for the period	(991,994.37)	(7,210,686.52)	802,013.67	(3,707,700.12)
NON-RESTRICTED SHAREHOLDERS' EQUITY TOTAL	48,641,578.77	51,031,997.10	42,766,660.45	42,915,179.38
SHAREHOLDERS' EQUITY TOTAL	60,600,724.77	62,991,143.10	54,725,806.45	54,874,325.38

HOLIDAY CLUB RESORTS OY

The Shareholders' equity of the Group includes 368 320,86 EUR 31.3.2017 (31.3.2016: 606 805,56 EUR) from appropriations and other voluntary provisions.

Rs	31.3.2017	31.3.2016	31.3.2017	31.3.2016
RESTRICTED SHAREHOLDERS' EQUITY				
Share capital at the beginning of the financial year	828,230,656.23	630,040,090.73	828,230,656.23	630,040,090.73
Directed share issue.....	-	198,190,565.51	-	198,190,565.51
Share capital at the end of financial year	828,230,656.23	828,230,656.23	828,230,656.23	828,230,656.23
RESTRICTED SHAREHOLDERS' EQUITY TOTAL	828,230,656.23	828,230,656.23	828,230,656.23	828,230,656.23
NON-RESTRICTED SHAREHOLDERS' EQUITY				
Reserve for invested non-restricted equity at the beginning of the financial year.....	2,728,312,819.69	1,923,838,325.21	2,728,312,819.69	1,923,838,325.21
Directed share issue.....	-	804,474,494.48	-	804,474,494.48
Reserve for invested non-restricted equity at the end of the financial year.....	2,728,312,819.69	2,728,312,819.69	2,728,312,819.69	2,728,312,819.69
Profit from previous financial years at the beginning of the financial year.....	805,908,139.47	1,386,253,370.00	243,777,928.27	573,046,176.68
Paid Dividends.....	(65,829,135.21)	(72,491,476.60)	(65,829,135.21)	(72,491,476.60)
Change in translation difference.....	(31,018,716.14)	(8,913,779.89)	-	-
Reclassifications for previous financial years.....	-	436,120.90	-	-
Profit from previous financial years at the end of financial year	709,060,288.12	1,305,284,234.41	177,948,793.06	500,554,700.08
Profit for the period	(68,700,570.15)	(499,376,094.94)	55,543,456.72	(256,776,771.81)
NON-RESTRICTED SHAREHOLDERS' EQUITY TOTAL.....	3,368,672,537.66	3,534,220,959.16	2,961,805,069.46	2,972,090,747.96
SHAREHOLDERS' EQUITY TOTAL.....	4,196,903,193.89	4,362,451,615.39	3,790,035,725.69	3,800,321,404.19

The Shareholders' equity of the Group includes Rs 25 508 061.16 31.3.2017 (31.3.2016: Rs 42 024 319.06) from appropriations and other voluntary provisions.

CALCULATION FOR DISTRIBUTABLE FUNDS

	Parent 31.3.2017	Parent 31.3.2016
Eur		
Reserve for invested non-restricted equity	39,395,174.64	39,395,174.64
Profit from the previous financial years	2,569,472.14	7,227,704.86
+Profit for the period	802,013.67	(3,707,700.12)
-Appropriations*	-	-
Total	42,766,660.45	42,915,179.38
*Appropriations: The share of accumulated depreciations presented in equity		
Rs.		
Reserve for invested non-restricted equity	2,728,312,819.69	2,728,312,819.69
Profit from the previous financial years	177,948,793.06	500,554,700.08
+Profit for the period	55,543,456.72	(256,776,771.81)
-Appropriations*	-	-
Total	2,961,805,069.46	2,972,090,747.96
*Appropriations: The share of accumulated depreciations presented in equity		

18. GROUP RESERVE

	Group	Group
Eur	1.4.2016- 31.3.2017	1.10.2014- 31.3.2016
Group reserve at the beginning of the financial year	-	778,217.88
Accumulated revenue recognition at the end of the financial year	-	(778,217.88)
Group reserve at the end of the financial year	-	-
	1.4.2016- 31.3.2017	1.10.2014- 31.3.2016
Rs.		
Group reserve at the beginning of the financial year	-	53,895,479.16
Accumulated revenue recognition at the end of the financial year	-	(53,895,479.16)
Group reserve at the end of the financial year	-	-

19. DEFERRED TAX RECEIVABLES AND LIABILITIES

	Group	Group	Parent	Parent
Eur	31.3.2017	31.3.2016	31.3.2017	31.3.2016
Deferred tax receivables:				
From unused losses in taxation	553,907.53	610,740.34	-	-
From other temporary differences	856,937.40	724,537.00	-	-
Total	1,410,844.93	610,740.34	-	-
Deferred tax liabilities:				
From appropriations	92,080.21	192,936.18	-	-
From other temporary differences	173,330.45	247,453.91	-	-
Total	265,410.66	440,390.09	-	-
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
Rs.				
Deferred tax receivables:				
From unused losses in taxation	38,360,865.99	42,296,822.25	-	-
From other temporary differences	59,347,199.64	50,177,809.94	-	-
Total	97,708,065.63	42,296,822.25	-	-
Deferred tax liabilities:				
From appropriations	6,377,014.94	13,361,795.15	-	-
From other temporary differences	12,004,000.31	17,137,420.54	-	-
Total	18,381,015.26	30,499,215.68	-	-

20. LONG-TERM LIABILITIES

	Group	Group	Parent	Parent
Eur	31.3.2017	31.3.2016	31.3.2017	31.3.2016
Loans from financial institutions	16,883,190.02	24,329,264.01	10,411,766.00	17,303,432.00
Pension loans	1,200,000.00	2,000,000.00	1,200,000.00	2,000,000.00
Other long-term loans	182,760.85	310,492.62	181,942.45	282,063.59
Loans from group companies	-	-	4,849,877.14	7,283,499.02
Total	18,265,950.87	26,639,756.63	16,643,585.59	26,868,994.61
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
Rs.				
Loans from financial institutions	1,169,245,324.84	1,684,923,179.01	721,066,854.33	1,198,349,183.16
Pension loans	83,106,000.00	138,510,000.00	83,106,000.00	138,510,000.00
Other long-term loans	12,657,102.67	21,503,166.40	12,600,424.37	19,534,313.93
Loans from group companies	-	-	335,878,241.33	504,418,724.63
Total	1,265,008,427.50	1,844,936,345.41	1,152,651,520.04	1,860,812,221.72

LIABILITIES MATURING LATER THAN FIVE YEARS

	Group	Group	Parent	Parent
Eur	31.3.2017	31.3.2016	31.3.2017	31.3.2016
Loans from financial institutions.....	1,700,000.00	5,983,335.00	200,000.00	1,733,335.00
Total	1,700,000.00	5,983,335.00	200,000.00	1,733,335.00
Rs.	31.3.2017	31.3.2016	31.3.2017	31.3.2016
Loans from financial institutions.....	117,733,500.00	414,375,865.43	13,851,000.00	120,042,115.43
Total	117,733,500.00	414,375,865.43	13,851,000.00	120,042,115.43

21. SHORT-TERM LIABILITIES

	Group	Group	Parent	Parent
Eur	31.3.2017	31.3.2016	31.3.2017	31.3.2016
Loans from financial institutions.....	10,536,160.56	7,368,392.30	9,268,444.31	6,558,333.00
Pension loans	800,000.00	800,000.00	800,000.00	800,000.00
Received advance payments.....	11,279,046.21	10,199,912.39	11,060,197.59	10,176,702.10
Accounts payable.....	5,230,079.66	5,540,206.84	2,830,414.12	3,888,389.28
Loans from group companies				
Accounts payable	-	-	21,747.62	169,300.81
Other loans.....	-	-	611,058.67	613,886.91
Accrued liabilities	-	-	84,491.52	151,098.80
Total	-	-	717,297.81	934,286.52
Other loans	8,199,103.22	4,507,514.70	7,145,415.82	3,438,661.78
Accrued liabilities.....	18,600,156.76	15,557,024.62	14,152,317.10	11,490,512.64
Short-term liabilities, total	54,644,546.41	43,973,050.85	45,974,086.75	37,286,885.32
Rs.	31.3.2017	31.3.2016	31.3.2017	31.3.2016
Loans from financial institutions.....	729,681,799.44	510,298,008.74	641,886,110.69	454,197,351.92
Pension loans	55,404,000.00	55,404,000.00	55,404,000.00	55,404,000.00
Received advance payments.....	781,130,345.47	706,394,932.57	765,973,984.10	704,787,503.94
Accounts payable.....	362,209,166.78	383,687,024.70	196,020,329.88	269,290,399.59
Loans from group companies				
Accounts payable	-	-	1,506,131.42	11,724,927.60
Other loans.....	-	-	42,318,868.19	42,514,737.95
Accrued liabilities	-	-	5,851,460.22	10,464,347.39
Total	-	-	49,676,459.83	64,704,012.94
Other loans	567,828,893.21	312,167,930.55	494,855,772.61	238,144,521.57
Accrued liabilities.....	1,288,153,856.50	1,077,401,740.06	980,118,720.76	795,775,452.88
Short-term liabilities, total	3,784,408,061.41	3,045,353,636.62	3,183,935,377.87	2,582,303,242.84

RELEVANT ACCRUED LIABILITIES (excluding receivables from group and associated companies)

	Group	Group	Parent	Parent
Eur	31.3.2017	31.3.2016	31.3.2017	31.3.2016
Holiday pay and other salary related debts.....	4,387,455.23	4,348,686.70	3,706,851.97	3,718,675.90
Social expense payables	1,134,949.37	1,153,015.21	886,995.01	959,623.18
Accrued interests.....	83,936.54	110,835.67	50,100.49	74,218.03
Sales commissions.....	933,660.20	860,648.15	710,983.70	575,181.30
Taxes	361,232.12	55,554.31	335,015.08	8,440.62
Other	11,698,923.31	9,028,284.58	8,462,370.85	6,154,373.61
Total	18,600,156.76	15,557,024.62	14,152,317.10	11,490,512.64

Rs.	31.3.2017	31.3.2016	31.3.2017	31.3.2016
Holiday pay and other salary related debts.....	303,853,212.02	301,168,297.41	256,718,033.18	257,536,899.45
Social expense payables.....	78,600,918.30	79,852,068.37	61,428,839.42	66,458,703.33
Accrued interests.....	5,813,025.08	7,675,924.33	3,469,709.43	5,139,969.67
Sales commissions.....	64,660,636.98	59,604,187.63	49,239,176.14	39,834,180.93
Taxes.....	25,017,130.26	3,847,413.74	23,201,469.37	584,555.14
Other.....	810,208,933.85	625,253,848.59	586,061,493.22	426,221,144.36
Total	<u>1,288,153,856.50</u>	<u>1,077,401,740.06</u>	<u>980,118,720.76</u>	<u>795,775,452.88</u>

OTHER NOTES TO THE FINANCIAL STATEMENTS**COMMITMENTS AND CONTINGENT LIABILITIES****ASSETS PLEDGED AND MORTGAGES GIVEN FOR FINANCIAL LIABILITIES**

Eur	Group	Group	Parent	Parent
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
Loans from financial institutions.....	24,452,515.11	30,847,497.17	17,303,432.00	22,461,765.00
Total	<u>24,452,515.11</u>	<u>30,847,497.17</u>	<u>17,303,432.00</u>	<u>22,461,765.00</u>
Property under mortgages.....	16,566,160.00	13,433,590.24	6,566,160.00	933,590.24
Mortgage on company assets.....	31,445,637.81	34,445,637.81	31,445,637.81	34,445,637.81
Pledged assets.....	41,152,774.80	40,354,756.37	41,152,774.80	40,354,756.37
Total	<u>89,164,572.61</u>	<u>88,233,984.42</u>	<u>79,164,572.61</u>	<u>75,733,984.42</u>

Rs.	31.3.2017	31.3.2016	31.3.2017	31.3.2016
Loans from financial institutions.....	1,693,458,933.79	2,136,343,416.60	1,198,349,183.16	1,555,589,535.08
Total	<u>1,693,458,933.79</u>	<u>2,136,343,416.60</u>	<u>1,198,349,183.16</u>	<u>1,555,589,535.08</u>
Property under mortgages.....	1,147,289,410.80	930,343,291.76	454,739,410.80	64,655,791.76
Mortgage on company assets.....	2,177,767,646.53	2,385,532,646.53	2,177,767,646.53	2,385,532,646.53
Pledged assets.....	2,850,035,418.77	2,794,768,652.40	2,850,035,418.77	2,794,768,652.40
Total	<u>6,175,092,476.11</u>	<u>6,110,644,590.70</u>	<u>5,482,542,476.11</u>	<u>5,244,957,090.70</u>

OTHER COLLATERAL FOR OWN COMMITMENTS

Eur	Group	Group	Parent	Parent
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
Deposits, rent guarantees.....	3,413,411.63	1,036,957.64	3,413,411.63	1,036,957.64
Total	<u>3,413,411.63</u>	<u>1,036,957.64</u>	<u>3,413,411.63</u>	<u>1,036,957.64</u>

Rs.	31.3.2017	31.3.2016	31.3.2017	31.3.2016
Deposits, rent guarantees.....	236,395,822.44	71,814,501.36	236,395,822.44	71,814,501.36
Total	<u>236,395,822.44</u>	<u>71,814,501.36</u>	<u>236,395,822.44</u>	<u>71,814,501.36</u>

COLLATERAL FOR GROUP COMPANIES' LIABILITIES

Eur	Group	Group	Parent	Parent
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
Property under mortgages.....	880,000.00	880,000.00	-	-
Mortgage on company assets.....	1,576,938.85	1,625,963.38	-	-
Guarantees given.....	6,050,000.00	6,450,000.00	6,050,000.00	6,450,000.00
Pledged assets.....	3,891,973.09	4,015,148.87	-	-
Property under mortgages.....	466,160.00	433,590.24	-	-
Total	<u>12,865,071.94</u>	<u>13,404,702.49</u>	<u>6,050,000.00</u>	<u>6,450,000.00</u>

HOLIDAY CLUB RESORTS OY

Rs.	31.3.2017	31.3.2016	31.3.2017	31.3.2016
Property under mortgages	60,944,400.00	60,944,400.00	-	-
Mortgage on company assets	109,210,899.80	112,606,094.11	-	-
Guarantees given.....	418,992,750.00	446,694,750.00	418,992,750.00	446,694,750.00
Pledged assets	269,538,596.35	278,069,134.99	-	-
Property under mortgages	32,283,910.80	30,028,291.76	-	-
Total	890,970,556.95	928,342,670.87	418,992,750.00	446,694,750.00

CONTINGENT LIABILITIES AND OTHER COMMITMENTS

LEASING CONTRACT COMMITMENTS

Eur	Group 31.3.2017	Group 31.3.2016	Parent 31.3.2017	Parent 31.3.2016
Due during the next financial year.....	631,253.92	1,571,878.11	521,374.94	1,467,193.75
Due thereafter	414,935.24	816,712.60	338,387.93	727,995.04
Total	1,046,189.16	2,388,590.71	859,762.87	2,195,188.79

Rs.	31.3.2017	31.3.2016	31.3.2017	31.3.2016
Due during the next financial year.....	43,717,490.16	108,860,418.80	36,107,821.64	101,610,503.16
Due thereafter	28,736,340.14	56,561,430.87	23,435,056.09	50,417,296.50
Total	72,453,830.30	165,421,849.67	59,542,877.73	152,027,799.65

RENTAL COMMITMENTS

Eur	Group 31.3.2017	Group 31.3.2016	Parent 31.3.2017	Parent 31.3.2016
Due during the next financial year.....	16,318,930.17	19,073,860.49	12,304,795.17	15,668,944.22
Due thereafter	217,043,192.53	209,452,481.83	183,377,636.25	180,914,516.57
Total	233,362,122.70	228,526,342.32	195,682,431.41	196,583,460.79

Rs.	31.3.2017	31.3.2016	31.3.2017	31.3.2016
Due during the next financial year.....	1,130,167,509.04	1,320,960,208.28	852,168,589.35	1,085,152,732.14
Due thereafter	15,031,326,298.54	14,505,631,628.99	12,699,818,198.18	12,529,234,845.21
Total	16,161,493,807.58	15,826,591,837.27	13,551,986,787.53	13,614,387,577.35

LIABILITIES FROM CUSTOMER FINANCE AGREEMENTS

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 2.11.2014 and by this amendment the 50 % redemption in question has been renounced with regard to new sales. This amendment does not apply to those timeshares that Holiday Club Resorts Oy finances on its own risk and of which Holiday Club Resorts Oy has in 2012 signed a 100 % buyback commitment.

Holiday Club Resorts Oy has agreed in the customer financing agreement made between Holiday Club Resorts Oy and Danske Bank Oyj (Sampo Financing) the following:

If Sampo Financing terminates the customer's financing contract for timeshare purchase based on the terms of contract, the following risk distribution contract applies:

If Sampo Financing claims, Holiday Club Resorts Oy is committed to purchase the timeshare which has been given as a collateral for a financing agreement.

The purchase price is 30 % of the timeshare's original purchase price. If the purchase price, calculated by the foregoing way, is more than the financier's financed part based on the sale agreement issue, the purchase price will be the amount of financed part of the sale agreement at issue.

For the timeshares Holiday Club Resorts Oy has financed on its own risk, 100 % buyback commitment is applied.

INVESTING COMMITMENTS

Holiday Club Resorts Oy has given completion commitments to Fennia and Veritas in relation to the land areas sold to them.

If the completion commitments are not met, Fennia and Veritas have the right to cancel the deal. Holiday Club Resorts Oy has guaranteed the land lease payments until apartments have been build on the plots.

Group company Kiinteistö Oy Himoksen Tähti 2 has given the city of Jämsä completion commitments regarding land areas.

If the company fails to meet the completion commitments, the parent company has committed to pay the city of Jämsä a contractual penalty of 127,408.60 € (Rs 8,824,320).

Holiday Club Resorts Oy and the municipality of Salla have agreed that Holiday Club Resorts will make at least four million euros (Rs 277,040,000) worth of investments to Salla by the end of year 2018. If the investments of at least four million euros (Rs 277,040,000) are made, the municipality of Salla has an obligation to buy the shares of Kiinteistö Oy Sallan kylpylä -named company with the purchase price equating the equity investment made in the Kiinteistö Oy Sallan kylpylä. If the made investments are less than two millions (Rs 138,520,000), has Holiday Club Resorts Oy an obligation to buy the shares of Kiinteistö Oy Sallan kylpylä owned by the municipality with the purchase price equating the equity investment. These purchase obligations will be executed only if the selling party requires the purchase.

Holiday Club Resorts Oy has sold the shares of Keskinäinen Kiinteistö Oy Tropiikin Tontti 8 to Mancipium Tabulae Oy. The shares give right to land that is leased to Kiinteistö Oy HC Villas Petäjälampi 5. HCR will pay the 24,225 euros (Rs 1,677,824) annual lease until the buildings on the land are finished. HCR has the right to collect from Kiinteistö Oy HC Villas Petäjälampi 5 the lease HCR has paid on its behalf. Furthermore, HCR has agreed to buy back the sold land for the original sales price of 427,500 euros (Rs 29,608,650) in case the construction on the site has not begun on 30.6.2018, or if the construction is not finished by 30.7.2020, or if the amount of buildings on the land is fundamentally smaller than planned.

Holiday Club Resorts Oy has sold the shares of Keskinäinen Kiinteistö Oy Tropiikin Tontti 9. The shares give right to land that is leased to Kiinteistö Oy HC Villas Petäjälampi 6. HCR will pay the 24,225 euros (Rs 1,677,824) annual lease until the buildings on the land are finished. HCR has the right to collect from Kiinteistö Oy HC Villas Petäjälampi 6 the lease HCR has paid on its behalf.

Furthermore, HCR has agreed to buy back the sold land for the original sales price of 427,500 euros (Rs 29,608,650) in case the construction on the site has not begun on 30.6.2018, or if the construction is not finished by 30.7.2020, or if the amount of buildings on the land is fundamentally smaller than planned.

Holiday Club Resorts Oy has committed to a framework agreement with the city of Kuusamo according to which 10 million euros (Rs 692,600,000) worth of investments will be made.

Holiday Club Resorts Oy and Skanska Talonrakennus Oy signed a cooperation agreement on 31.3.2016. By this agreement Holiday Club Resorts Oy committed to purchase the shares of Kiinteistö Oy Kelotähti I -named company no later than 1.5.2018.

The debt-free purchase price for the shares is 3,1 million euros (Rs 214,706,000). Furthermore, Holiday Club Resorts Oy committed to purchase the shares of Kiinteistö Oy Kelotähti II -named company. These shares give the right to control an unfinished building.

If certain requirements are fulfilled, Kiinteistö Oy Kelotähti II will finish the construction of the building.

In this case Holiday Club Resorts Oy will buy the shares with a purchase price of 8,666.46 euros (Rs 600,239) and Kiinteistö Oy Kelotähti will be liable for the contract price towards Skanska Talonrakennus Oy (5 million euros (Rs 346,300,000)).

Furthermore, Holiday Club Resorts Oy sold Skanska Talonrakennus Oy the shares of companies Kiinteistö Oy Jalomella, Kiinteistö Oy Ulkuvuoma, Kiinteistö Oy Outapalas and Kiinteistö Oy Lovinoita. The purchase price of the shares was 1,2 million euros (Rs 83,112,000). Holiday Club Resorts Oy has the obligation to purchase these shares back for the same price.

RESPONSIBILITY TO REVIEW TAX DEDUCTIONS RELATED TO REAL ESTATE INVESTMENTS

Holiday Club Resorts Oy is obliged to annually review the tax deductions made from the real estate investment for 10 years after the completion of the investment, in so far as the VAT taxable use of the property decreases during the ten-year time period.

The maximum amount of the obligation was 697,576.84 euros (Rs 48,314,172) on 31.3.2017.

Group company Kiinteistö Oy Rauhan Liikekiinteistöt 1 is obliged to annually review the tax deductions made from the real estate investment for 10 years after the completion of the investment, in so far as the VAT taxable use of the property decreases during the ten-year time period.

The maximum amount of the obligation was 2,377,090.80 euros (Rs 164,637,309) on 31.3.2017.

Holiday Club Resorts Oy is obliged to annually review the tax deductions made from the renovation costs to leased properties for 10 years after the completion of the investment, in so far as the VAT taxable use of the property decreases during the ten-year period.

The maximum amount of the obligation was 1,107,603.96 euros (Rs 76,712,650) on 31.3.2017.

PURCHASE AND SALES COMMITMENTS

According to the agreement made between Holiday Club Resorts Oy, Sunborn Oy and Sunborn Saga Oy, Holiday Club Resorts Oy is obliged to sell annually 150 Sunborn timeshares. If Holiday Club Resorts Oy doesn't achieve its yearly target, Holiday Club is obliged to purchase the missing amount of timeshares with a price related to the agreement until 30.9.2018.

Holiday Club Sweden AB has regarding Holiday Club Sport And Spa Hotels AB committed to a shareholders' agreement with terms of put and call options by which Holiday Club Sweden AB could be obliged to purchase other shareholders' shares in the companies.

These options may actualize no sooner than 2021.

Holiday Club Resorts Oy has committed to purchase back the shares of Kiinteistö Oy Salla Star -named company from the buyer no later than 17.9.2022 with the buyback price of 382,000 euros (Rs 26,457,320).

Holiday Club Resorts Oy has given a commitment to purchase its own shares from its personnel.

Holiday Club Resorts Oy has committed to purchase the shares of Kiinteistö Oy HC Villas Katinkulta Spa 1 Lodge -named company from their current owners. Half of the shares (50 %) have been purchased by 31.12.2016 and the rest will be purchased by 30.4.2017.

The sales price of the shares is 850,000 euros (Rs 58,871,000) total.

HOLIDAY CLUB RESORTS OY

Holiday Club Resorts Oy has committed to purchase back the shares of the company named Kiinteistö Oy Iso-Ylläksentie 42 from the mutual insurance company Ilmarinen no later than 31.3.2022. The buyback price on 31.3.2022 has been agreed to be 4,750,000 euros (Rs 328,985,000).

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.

In the course of the Holiday Club Åre asset deal the commitment given by Holiday Club Spa Hotels AB to purchase a multi-purpose arena from Åre Kongress AB in 2023, if Åre Kongress AB has not sold the arena before that, transferred to Holiday Club Sport And Spa Hotels AB.

Holiday Club Resorts Oy and Holiday Club Sport And Spa Hotels AB are jointly responsible for the sales price of the arena (1.7 million euros (Rs 117,742,000)) towards Åre Kongress AB

OTHER LIABILITIES AND GUARANTEES

Holiday Club Resorts Oy has guaranteed a bank loan of Kiinteistö Oy Rauhan Liikekiinteistöt 1, a 100 % owned subsidiary.

The remaining loan capital is 5.45 million euros (Rs 377,467,000).

Holiday Club Sweden AB has pledged a floating charge as a security for Holiday Club Sport and Spa Hotels AB's loan. The loan capital is 1.7 million euros (Rs 117,678,496). Holiday Club Sweden AB owns 51 % of the Holiday Club Sport and Spa Hotels AB's shares.

Holiday Club Resorts Oy has given a surety for Fastighets Aktiefbolaget Åre Properties (Capman) regarding lease obligations of Holiday Club Sport and Spa Hotels AB. The surety equates the lease obligation of 12 months.

DERIVATIVE CONTRACTS

Interest rate swaps valid at the end of the financial year were hedging in the interest rate risk arising from the loans with variable interest rate. These interest rate swaps are effective hedges and will expire during the years 2019-2020.

The company has also interest rate swaps that are not effective (no underlying asset). The negative fair values of the non-effective contracts have been recognised in the profit and loss statement in 31.3.2017 with a total impact of 51,738.71 euros (Rs 3,583,164.36). In the future, the negative values of the non-effective contracts will be recognised in the profit and loss statement in the financial years 1.4.2017-31.3.2020.

	Eur	Rs	Eur	Rs
Interest rate swaps	31.3.2017	31.3.2017	31.3.2016	31.3.2016
Fair value.....	(338,291)	(23,430,016)	(521,257)	(36,102,288)
Nominal value.....	20,875,008	1,445,803,047	24,586,772	1,702,879,797

RELATED PARTY TRANSACTIONS

	Group	Group	Parent	Parent
Eur	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016
Sale of materials.....	-	-	79,211.21	183,379.44
Sale of services.....	-	-	233,872.19	453,054.10
Purchases of materials.....	-	-	346,462.13	524,605.90
Purchases of services.....	-	-	949,668.81	10,658,456.67
Interest income.....	-	-	393,154.45	897,591.44
Interest expenses.....	-	-	155,149.28	474,428.95
Total	-	-	2,157,518.07	13,191,516.50

	Group	Group	Parent	Parent
Eur	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016
Sale of materials.....	-	-	5,485,772.35	12,699,943.12
Sale of services.....	-	-	16,196,818.52	31,376,261.70
Purchases of materials.....	-	-	23,994,234.81	36,331,581.60
Purchases of services.....	-	-	65,769,313.59	738,151,416.93
Interest income.....	-	-	27,227,911.43	62,162,695.18
Interest expenses.....	-	-	10,744,863.39	32,856,576.93
Total	-	-	149,418,914.09	913,578,475.45

DATE AND SIGNATURES

Signatures of the financial statements and annual report

Helsinki, 9th May 2017

Arunkumar Nanda
Chairman of the Board

Teuvo Salminen
Member of the Board

Antti Heikinheimo
Member of the Board

Krishnan S
Member of the Board

Sridar Iyengar
Member of the Board

Vesa Tengman
Member of the Board

Iiro Rossi
CEO

AUDITOR'S NOTE

Auditor's report has been issued today.

Eero Suomela
APA

ADDITIONAL INFORMATION:
COUNTRY WISE FINANCIAL HIGHLIGHTS - 2016-17

	(Euro in Mn)				
	Finland	Sweden	Spain	Russia	Total
Turnover	124.29	18.17	12.39	0.18	155.03
Other operating income	4.35	1.37	0.71	–	6.43
Operating Profit	6.91	(0.46)	(0.50)	(0.10)	5.85
Less: Depreciations and impairments	4.72	0.43	1.02	–	6.17
(Add)/Less Financial (income) and expenses	(1.10)	0.28	(0.19)	0.06	(0.95)
Profit before Tax	1.61	(0.61)	(1.71)	(0.04)	(0.75)
Add: Minority share + Extraordinary	0.52	–	–	–	0.52
Less: Taxes	0.21	–	0.02	0.01	0.24
Profit after Tax	1.40	(0.61)	(1.73)	(0.05)	(0.99)

BOARD OF DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the Financial Period commencing from April 1, 2016 and ended on March 31, 2017.

OPERATIONS/STATE OF THE COMPANY'S AFFAIRS

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

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

The Company owns 4.24% of the shares of Holidays Club Resorts Oy (Corporate ID 2033337-1) as at March 31, 2017.

There were no personnel employed and no employee expenses were paid during the Financial Period.

FINANCIAL HIGHLIGHTS

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

DIVIDENDS

The Company's assets eligible for distribution are Euros 2,085,889.26 (Rs. 144,458,260.70). The Company's assets for profit distribution are Euros 252,589.26 (Rs. 17,493,069.20) of which profit for the financial period Euros 26,730.46 (Rs. 1,851,218.01) and retained earnings Euros 225,858.80 (Rs. 15,641,851.19).

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

DIRECTORS

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

Mr. Arunkumar Nanda, Chairman

Mr. Krishnan Sadasivan

Mr. Iiro Rossi

STATEMENT OF DIRECTORS

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

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

SHARES OF THE COMPANY

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

HOLDING COMPANY

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

COMPLIANCE

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

AUDITORS

There is no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2017.

ACKNOWLEDGEMENTS

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

Signed on behalf of the Board of Directors of Holiday Club Management Oy in Helsinki 9th of May 2017.

Signing of the Board of Directors Report.

Helsinki 9th May, 2017

Arunkumar Nanda
Chairman of the Board

S Krishnan
Director

Iiro Rossi
Director

AUDITOR'S REPORT

To the Annual General Meeting of HCR Management Oy

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of HCR Management Oy (business identity code 2277650-4) for the period ended 31 March 2017. The financial statements comprise the balance sheet, income statement, cash flow statements and notes.

In my opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

I conducted my audit in accordance with good auditing practice in Finland. My responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to my audit, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance on whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee

that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

I 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 I identify during my audit.

Other Reporting Requirements**Other Information**

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises information included in the report of the Board of Directors. My opinion on the financial statements does not cover the other information.

In connection with my audit of the financial statements, my responsibility is to read the information included in the report of the Board of Directors and, in doing so, consider whether the information included in the report of the Board of Directors is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. My responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In my opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work I have performed, I conclude that there is a material misstatement in the information included in the report of the Board of Directors, we are required to report this fact. I have nothing to report in this regard.

Helsinki, 9 May 2017

Eero Suomela
Authorised Public Accountant, KHT
Nokkalankulma 7 B
02230 Espoo
FINLAND

ACCOUNTING PRINCIPLES

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 69.26 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

PROFIT AND LOSS STATEMENT

	Eur	Rs.	Eur	Rs.
	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.10.2015- 31.3.2016	1.10.2015- 31.3.2016
Other operative expenses	(2,832.52)	(196,166.17)	(151.84)	(10,515.68)
PROFIT (LOSS)	(2,832.52)	(196,166.17)	(151.84)	(10,515.68)
Dividend income	50,188.80	3,475,825.34	0.00	0.00
Interest expenses.....	(20,625.81)	(1,428,440.47)	(21,452.47)	(1,485,690.81)
PROFIT (LOSS) BEFORE TAXES	26,730.47	1,851,218.70	(21,604.31)	(1,496,206.49)
PROFIT (LOSS) FOR THE FINANCIAL YEAR.....	26,730.47	1,851,218.70	(21,604.31)	(1,496,206.49)

BALANCE SHEET

	Eur	Rs.	Eur	Rs.
	31.3.2017	31.3.2017	31.3.2016	31.3.2016
ASSETS				
NON-CURRENT ASSETS				
Investments				
Other shares.....	2,094,675.20	145,066,730.98	2,094,675.20	145,066,730.98
TOTAL FOR NON-CURRENT ASSETS.....	2,094,675.20	145,066,730.98	2,094,675.20	145,066,730.98
CURRENT ASSETS				
Cash and cash equivalents	24,225.41	1,677,730.77	352.91	24,440.78
TOTAL FOR CURRENT ASSETS	24,225.41	1,677,730.77	352.91	24,440.78
TOTAL ASSETS	2,118,900.61	146,744,461.75	2,095,028.11	145,091,171.76
Liabilities				
SHAREHOLDERS' EQUITY				
Share Capital.....	2,500.00	173,137.50	2,500.00	173,137.50
Reserve for invested non-restricted equity.....	1,833,300.00	126,965,191.50	333,300.00	23,082,691.50
Retained earnings	225,858.80	15,641,851.19	247,463.11	17,138,057.68
Profit (loss) for the period.....	26,730.46	1,851,218.01	(21,604.31)	(1,496,206.49)
TOTAL FOR SHAREHOLDERS' EQUITY	2,088,389.26	144,631,398.20	561,658.80	38,897,680.19
LIABILITIES				
Long Term Liabilities	29,350.00	2,032,634.25	29,350.00	2,032,634.25
Short Term Liabilities.....	1,161.35	80,429.29	1,504,019.31	104,160,857.31
TOTAL FOR LIABILITIES.....	30,511.35	2,113,063.54	1,533,369.31	106,193,491.56
TOTAL LIABILITIES.....	2,118,900.61	146,744,461.75	2,095,028.11	145,091,171.76

CASH FLOW STATEMENT

	Eur	Rs.	Eur	Rs.
	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.10.2015- 31.3.2016	1.10.2015- 31.3.2016
Operative Cash Flow				
Cash paid to suppliers and employees	(2,832.52)	(196,166.17)	(151.84)	(10,515.68)
Operative Cashflow before financing items and taxes ..	(5,690.49)	(394,094.88)	(151.84)	(10,515.68)
Paid interest and other payments related to financing activities	(20,625.81)	(1,428,440.47)	(21,266.53)	(1,472,813.54)
Dividends received	50,188.80	3,475,825.34	0.00	0.00
Operative Cash Flow	23,872.50	1,653,289.99	(21,418.37)	(1,483,329.21)
Financing Cash Flow				
Proceeds from issuance of Equity	1,500,000.00	103,882,500.00	0.00	0.00
Withdrawals of Long Term Loans	0.00	0.00	21,350.00	1,478,594.25
Re-payments of Long Term Loans	(1,500,000.00)	(103,882,500.00)	0.00	0.00
Financing Cash Flow	0.00	0.00	21,350.00	1,478,594.25
Net increase/decrease in cash and cash equivalents	23,872.50	1,653,289.99	(68.37)	(4,734.96)
Cash and cash equivalents at the beginning of the period ..	352.91	24,440.78	421.28	29,175.75
Cash and cash equivalents at the end of the period	24,225.41	1,677,730.77	352.91	24,440.78

NOTES TO THE ACCOUNTS

NON CURRENT ASSETS

INVESTMENTS

Eur	Shares, other	Total
Acquisition Cost 31.3.2016	2,094,675.20	2,094,675.20
Acquisition Cost 31.3.2017	2,094,675.20	2,094,675.20
Book value 31.3.2017	2,094,675.20	2,094,675.20

INVESTMENTS

Rs.	Shares, other	Total
Acquisition Cost 31.3.2016	145,066,730.98	145,066,730.98
Acquisition Cost 31.3.2017	145,066,730.98	145,066,730.98
Book value 31.3.2017	145,066,730.98	145,066,730.98

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

SHAREHOLDERS' EQUITY

	Eur	Rs.
	31.3.2017	31.3.2017
RESTRICTED SHAREHOLDERS' EQUITY		
Share Capital 31.3.2016	2,500.00	173,137.50
Share Capital 31.3.2017	2,500.00	173,137.50
RESTRICTED SHAREHOLDERS' EQUITY TOTAL	2,500.00	173,137.50

NON-RESTRICTED SHAREHOLDERS' EQUITY

Reserve for Invested non-restricted equity 31.3.2016	333,300.00	23,082,691.50
Proceeds from issuance of Equity	1,500,000.00	103,882,500.00

SHORT TERM LIABILITIES

	Eur	Rs.	Eur	Rs.
	31.3.2017	31.3.2017	31.3.2016	31.3.2016
Bank Loans	0.00	0.00	1,500,000.00	103,882,500.00
Accrued interest	1,161.35	80,429.29	4,019.31	278,357.31
Total	1,161.35	80,429.29	1,504,019.31	104,160,857.31

OTHER NOTES

COLLATERALS GIVEN

ASSETS PLEDGED AND MORTGAGES GIVEN FOR FINANCIAL LIABILITIES

	Eur	Rs.	Eur	Rs.
	31.3.2017	31.3.2017	31.3.2016	31.3.2016
Other Loans	0.00	0.00	1,500,000.00	103,882,500.00
Total	0.00	0.00	1,500,000.00	103,882,500.00
Pledged assets	0.00	0.00	2,094,675.20	145,066,730.98
Total	0.00	0.00	2,094,675.20	145,066,730.98

	Eur	Rs.
	31.3.2017	31.3.2017
Reserve for Invested non-restricted equity 31.3.2017	1,833,300.00	126,965,191.50
Retained earnings 31.3.2016	225,858.80	15,641,851.19
Retained earnings 31.3.2017	225,858.80	15,641,851.19
Profit for the period	26,730.46	1,851,218.01
NON-RESTRICTED SHAREHOLDERS' EQUITY TOTAL	2,085,889.26	144,458,260.70
SHAREHOLDERS' EQUITY TOTAL	2,088,389.26	144,631,398.20

CALCULATION FOR DISTRIBUTABLE FUNDS

	Eur	Rs.
	31.3.2017	31.3.2017
Reserve for invested non-restricted equity	1,833,300.00	126,965,191.50
Retained earnings	225,858.80	15,641,851.19
Profit for the period	26,730.46	1,851,218.01
Total	2,085,889.26	144,458,260.70

SHARE CAPITAL BY TYPES OF SHARES

Eur	pcs	Eur
1 vote/share	124,320	2,500.00
Total	124,320	2,500.00

Rs.	pcs	Rs.
1 vote/share	124,320	173,137.50
Total	124,320	173,137.50

NOTES TO THE ACCOUNTS

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

Helsinki, 9 May 2017

Arunkumar Nanda
Chairman of the Board

Krishnan Sadasivan
Member of the Board

APPROVAL OF THE ANNUAL REPORT

The audit report has been given today.

Eero Suomela
Authorised Public Accountant

Iiro Rossi
Member of the Board, CEO

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from April 1, 2016 and ended on March 31, 2017.

Operations/State of the Company's Affairs

The Company is primarily engaged in Timeshare and renting business. There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

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

During the period under review, the Company has earned a revenue of SEK 71,066 thousand (INR 515,939 thousand) and made profit of SEK 6,708 thousand (INR 48,700 thousand).

Dividends

No dividend was proposed for the financial year ended March 31, 2017.

Directors

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

- 1) Tapio Anttila
- 2) Iiro Rossi
- 3) Anne Oravainen

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

Events Subsequent to Balance Sheet Date

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

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is subsidiary of Holiday Club Resorts Oy (HCR) and in turn subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

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

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2017.

Acknowledgements

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

Signed on behalf of the Board of Directors
of Holiday Club Sweden AB

Tapio Anttila
Director

Iiro Rossi
Director

Anne Oravainen
Director

Place: Östersund

AUDITOR'S REPORT

To the annual meeting of the shareholders of Holiday Club Sweden AB, corporate identity number 556683-0385.

Report on the annual accounts

Opinions

We have audited the annual accounts of Holiday Club Sweden AB for the financial year 2016-04-01-2017-03-31.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Holiday AB as of 31 March 2017 and its financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of Holiday Club Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is not applied if decision has been taken to discontinue the operations.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee

that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, 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 opinions. 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 the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any 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 annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. 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 annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Holiday Club Sweden AB for the year 2016-04-01-2017-03-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of Holiday Club Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of

assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

Sundsvall, April 2017

ADMINISTRATION REPORT

Operations

Information regarding the operations

The purpose of Holiday Club Sweden AB, Corporate Identity Number 556683-0385, is to fulfil parent company Holiday Club Resorts (HCR) OY's expansion plans in Sweden through the operation of hotel and experience facilities and timeshare activities.

Holiday Club currently only operates timeshare activities. The hotel are operated by Holiday Club Sport and Spa Hotels AB.

In this annual report FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 7.26 = FC 1 which is the Bloomberg rate as on 31st March 2017.

Multi-year review kSEK

	2016/17 kSEK	2014/16 kSEK	2013/14 kSEK	2012/13 kSEK
Net sales	64,080	54,933	18,903	27,315
Profit/loss after financial items	6,709	(8,284)	(6,976)	31,083
Equity/assets ratio	62.4%	51.0%	51.6%	54.9%

Multi-year review kINR

	2016/17 kINR	2014/16 kINR	2013/14 kINR	2012/13 kINR
Net sales	465,221	398,814	3,377,503	2,895,387
Profit/loss after financial items	48,706	(60,142)	366,265	(436,630)
Equity/assets ratio ...	62.4%	51.0%	51.6%	54.9%

Changes in equity

	Share capital	Retained earnings	Net profit/loss for the year	Total
Amount at beginning of year according to adopted balance sheet	100 kSEK 726 kINR	146807 kSEK 1065818 kINR	(8284) kSEK (60142) kINR	138623 kSEK 1006403 kINR
Appropriation of profits as resolved by the AGM				
To be carried forward		(8284) kSEK (60142) kINR	8284 kSEK 60142 kINR	
Profit/Loss for the year			6709 kSEK 48707 kINR	6709 kSEK 48707 kINR
Amount at year-end	100 kSEK 726 kINR	138522 kSEK 1005670 kINR	6709 kSEK 48707 kINR	145331 kSEK 1055103 kINR

Shareholders contribution

The shareholders have left shareholder contributions totaling 121.750 kSEK (883.905 kINR).

Proposed Appropriation of Profits

	kSEK	kINR		kSEK	kINR
The following profits are at the disposal of the Annual General Meeting:			The Board of Directors proposes that the available profits be appropriated as follows:		
Profit/loss brought forward.....	138,523	1,005,675	Profit/loss brought forward.....	145,232	1,054,381
Profit/Loss for the year	6,709	48,706	Total	145,232	1,054,381
Total	145,232	1,054,381			

INCOME STATEMENT

	Note	1-Apr-16 – 31 Mar 2017 kSEK	1-Oct-14 – 31 Mar 2016 kSEK	1-Apr-16 – 31 Mar 2017 KINR	1-Oct-14 – 31 Mar 2016 KINR
Operating income, changes in inventory, etc.					
Net sales		29,493	39,213	214,116	284,685
Construction work on behalf of other		34,587	15,720	251,105	114,127
Other operating income		6,986	7,061	50,721	51,266
Total operating income, changes in inventory, etc.		71,066	61,994	515,942	450,079
Operating expenses					
Raw materials and consumables		(40,681)	(35,155)	(295,341)	(255,224)
Other external expenses		(13,252)	(19,990)	(96,209)	(145,124)
Personnel costs	2	(13,353)	(17,192)	(96,944)	(124,811)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		(111)	(166)	(804)	(1,206)
Total operating expenses		(67,396)	(72,502)	(489,298)	(526,366)
Operating profit/loss		3,670	(10,508)	26,644	(76,287)
Financial items					
Share of profits from interests in associates		2,106	0	15,289	0
Other interest income and similar profit/loss items	3	4,322	7,512	31,377	54,538
Interest and similar expenses	4	(3,389)	(5,288)	(24,604)	(38,394)
Total financial items		3,039	2,224	22,062	16,145
Profit/loss after financial items		6,709	(8,284)	48,706	(60,143)
Profit/Loss before tax		6,709	(8,284)	48,706	(60,143)
Profit/Loss for the year		6,709	(8,284)	48,706	(60,143)

BALANCE SHEET

	Note	31 Mar 2017 kSEK	31 Mar 2016 kSEK	31 Mar 2017 kINR	31 Mar 2016 kINR
Non-current assets					
<i>Property, plant and equipment</i>					
Land and buildings.....	5	7,121	12,365	51,701	89,771
Current new developments	6	33,792	0	245,333	0
Total property, plant and equipment		40,914	12,365	297,034	89,771
<i>Financial non-current assets</i>					
Participations in Group companies.....	7	9,297	10,731	67,496	77,909
Receivables from Group companies	8	118,370	179,503	859,369	1,303,189
Other securities held as non-current assets		76	331	554	2,400
Other non-current receivables.....					
Total financial assets		127,743	190,564	927,418	1,383,498
Total non-current assets		168,657	202,930	1,224,452	1,473,269
Current assets					
<i>Inventories etc.</i>					
Raw materials and consumables.....		37,216	48,405	270,189	351,419
Total inventories		37,216	48,405	270,189	351,419
<i>Current receivables</i>					
Trade receivables.....		2,061	4,714	14,965	34,220
Receivables from Group companies		10,265	11,391	74,527	82,699
Other receivables.....		5,419	331	39,343	2,404
Prepaid expenses and accrued income.....		4,151	766	30,139	5,558
Total current receivables		21,897	17,201	158,974	124,882
<i>Cash and bank balances</i>					
Cash and bank balances		5,262	3,390	38,202	24,610
Total cash and bank balances		5,262	3,390	38,202	24,610
Total current assets		64,375	68,996	467,365	500,911
Total assets		233,033	271,926	1,691,816	1,974,180

BALANCE SHEET

	Note	31 Mar 2017 kSEK	31 Mar 2016 kSEK	31 Mar 2017 kINR	31 Mar 2016 kINR
Equity and liabilities					
Equity					
<i>Restricted equity</i>					
Share capital, 1000 shares.....		100	100	726	726
<i>Total restricted equity</i>		100	100	726	726
<i>Non-restricted equity</i>					
Profit/loss brought forward.....		138,523	146,807	1,005,675	1,065,818
Profit/Loss for the year		6,709	(8,284)	48,706	(60,143)
<i>Total Non-restricted equity</i>		145,232	138,523	1,054,381	1,005,675
Total equity		145,332	138,623	1,055,107	1,006,401
Non-current liabilities 9					
Liabilities to Group companies		78,414	122,305	569,285	887,937
Other liabilities		669	2,007	4,856	14,568
Total non-current liabilities		79,083	124,312	574,141	902,505
Current liabilities					
Advances from customers					
Trade creditors.....		1,538	361	11,166	2,617
Liabilities to Group companies		2,864	3,059	20,796	22,205
Other liabilities		1,886	1,358	13,694	9,861
Accrued expenses and deferred income		2,330	4,214	16,913	30,591
Total current liabilities		8,618	8,991	62,568	65,274
Total equity and liabilities		233,033	271,926	1,691,816	1,974,180

SUPPLEMENTARY DISCLOSURES

Note 1 Accounting and Valuation Principles

The annual accounts have been prepared in accordance with BFAR 2016:10 Annual Accounts of Small Limited Companies.

Service assignments and contract work

During the year accounting principles has changed and the Company's income from assignments undertaken on a fixed price basis is recognised according to the main rule.

Amortisation

Land and buildings 30 years

Definitions of key performance indicators

Equity/assets ratio

Equity and untaxed reserves (less deferred tax) as a percentage of total assets.

Disclosures to the Income Statement

Note 2 Personnel

	1-Apr-16 – 31 Mar 2017	1-Oct-14 – 31 Mar 2016
Average number of employees, etc.	23	25

Note 3 Other interest income and similar profit/loss items

	1-Apr-16 – 31 Mar 2017 kSEK	1-Oct-14 – 31 Mar 2016 kSEK	1-Apr-16 – 31 Mar 2017 kINR	1-Oct-14 – 31 Mar 2016 kINR
Of which from Group companies	4,310	7,438	31,289	53,997

Note 4 Interest expense and similar profit/loss items

	1-Apr-16 – 31 Mar 2017 kSEK	1-Oct-14 – 31 Mar 2016 kSEK	1-Apr-16 – 31 Mar 2017 kINR	1-Oct-14 – 31 Mar 2016 kINR
Of which from Group companies	3,118	5,136	22,637	37,284

Note 7 Participations in Group companies

	31 Mar 2017 kSEK	31 Mar 2016 kSEK	31 Mar 2017 kINR	31 Mar 2016 kINR
Opening cost of acquisition	10,731	781	77,909	5,672
- Purchases	0	9,950	0	72,237
- Sales	(1,434)	0	(10,414)	0
Carrying amount	9,297	10,731	67,496	77,909
Name	Equity kSEK	Net profit/loss kSEK	Equity kINR	Net profit/loss kINR
Ownership Service AB 556676-0327 Åre	2,041	(45)	14,819	(329)
HC Canarias Sales & Marketing S.L B-76081611 Las Palmas	12,518	(19,577)	90,879	(142,130)
HC Canarias Investment S.L B-76081603 Las Palmas	45	(28)	329	(202)
HC Canarias Resort Management S.L B-76081629 Las Palmas	29,300	3,051	212,715	22,150
HC Sport and Spahotels AB 559032-5733 Åre	6,194	(8,559)	44,971	(62,139)
Åre Villa 1 AB 556996-2177 Åre	50	0	363	0
Åre Villa 2 AB 556996-2250 Åre	50	0	363	0
Total	50,198	(25,158)	364,439	(182,650)

Balance sheet disclosures

Note 5 Land and buildings

	31 Mar 2017 kSEK	31 Mar 2016 kSEK	31 Mar 2017 kINR	31 Mar 2016 kINR
Opening cost of acquisition	13,323	13,323	96,722	96,722
Sales	(5,133)	0	(37,267)	0
Closing cost of acquisition	8,189	13,323	59,455	96,722
Opening depreciation/ amortisation	(957)	(791)	(6,951)	(5,745)
- Depreciation for the year	(111)	(166)	(804)	(1,206)
Closing depreciation	(1,068)	(957)	(7,755)	(6,951)
Carrying amount	7,121	12,365	51,700	89,771

Note 6 Current new developments

	31 Mar 2017 kSEK	31 Mar 2016 kSEK	31 Mar 2017 kINR	31 Mar 2016 kINR
Purchase	33,792	0	245,330	0
	33,792	0	245,330	0
- Depreciation for the year	0	0	0	0
Closing depreciation	0	0	0	0
Carrying amount	33,792	0	245,330	0

HOLIDAY CLUB SWEDEN AB

Name	Number of shares	Share of equity, %	Carrying amount, 31 Mar 2017 SEK	Carrying amount, 31 Mar 2017 kINR
Ownership Service AB	1,000	100	100	726
HC Canarias Sales & Marketing	1	100	9	68
HC Canarias Resort Management	1	100	9	68
HC Canarias Investment	1	100	78	567
Holiday Club Sport and Spa Hotels AB	510,000	51	9,000	65,340
Åre Villa 1 AB	50,000	100	50	363
Åre Villa 2 AB	50,000	100	50	363
			9,297	67,496

Note 8 Receivables from Group companies

	31 Mar 2017 kSEK	31 Mar 2016 kSEK	31 Mar 2017 kINR	31 Mar 2016 kINR
Opening cost of acquisition	179,503	195,333	1,303,189	1,418,117
– Deductible receivables	(14,902)	(15,830)	(108,190)	(114,928)
– Reclassification, etc.	(46,229)	–	(335,629)	–
Carrying amount	118,370	179,503	859,369	1,303,189

Note 9 Non-current liabilities

	31 Mar 2017 kSEK	31 Mar 2016 kSEK	31 Mar 2017 kINR	31 Mar 2016 kINR
Non-current liabilities maturing more than five years after the balance sheet date:				
Liabilities to Group companies	122,221	119,882	887,324	870,346
Total	122,221	119,882	887,324	870,346

Note 10 Parent Company

The parent company in the smallest group in which the company is included, and which prepares consolidated accounts is Holiday Club Resorts OY, Corporate Identity Number 2033337-1, which has its registered office in Helsinki, Finland. The parent company in the largest group in which the company is included and which prepares consolidated accounts is Mahindra & Mahindra Ltd, L65990MH1945PLC004558 with its registered office in India.

Annual reports for parent company could be found at Patent- och registerstyrelsen, PRH, for Finland and Ministry of Corporate Affairs (Company Master Data) for India.

Note 10 Pledged assets

	1-Apr-16 – 31 Mar 2017 kSEK	1-Oct-14 – 31 Mar 2016 kSEK	1-Apr-16 – 31 Mar 2017 kINR	1-Oct-14 – 31 Mar 2016 kINR
Mortgages	4,000	4,000	29,040	29,040
Other pledged assets	37,216	48,405	270,188	351,419
Total pledged assets	41,216	52,405	299,228	380,459

Stockholm 2017-05-03

Tapio Anttila
CEO

Iiro Rossi

Anne Oravainen

Our auditor's report has been submitted 2017-05-03
Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from April 1, 2016 and ended on March 31, 2017.

Operations/State of the Company's Affairs

The Company is primarily engaged in renting business administration and management of tenant-owner associations.

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

Financial Highlights

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

During the period under review, the Company has made loss of SEK -24,952 (INR -181,152).

Dividend

No dividend was proposed for the financial year ended March 31, 2017.

Directors

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

- 1) Tapio Anttila
- 2) Iiro Rossi
- 3) Anne Oravainen

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

Events Subsequent to Balance Sheet Date

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

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is subsidiary of Holiday Club Sweden AB and in turn subsidiary of Holiday Club Resorts Oy (HCR) and in turn subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

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

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2017.

Acknowledgements

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

Signed on behalf of the Board of Directors
of Ownership Service Sweden AB

Tapio Anttila
Director

Iiro Rossi
Director

Anne Oravainen
Director

Place: Åre
Dated: April 24, 2017

AUDITOR'S REPORT

To the general meeting of the shareholders of Ownership Service Sweden AB, corporate identity number 556676-0327.

Report on the annual accounts

Opinions

We have audited the annual accounts of Ownership Service Sweden AB for the year 2016-04-01-2017-03-31.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Ownership Service Sweden AB as of 31 March 2017 and its financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Ownership Service AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors is responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is not applied if decision has been taken to discontinue the operations.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, 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 opinions. 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 the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any 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 annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. 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 annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors of Ownership Service Sweden AB for the year 2016-04-01-2017-03-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Ownership Service Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of

assurance whether any member of the Board of Directors in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

Place: Sundsvall

Date: April 2017

ADMINISTRATION REPORT**Operations***Information regarding the operations*

The company's operations consist of administrative and technical management of tenant-owner associations.

In this annual report FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 7.26 = FC 1 which is the Bloomberg rate as on 31st March 2017.

MULTI-YEAR REVIEW kSEK

	2016/17 kSEK (15 month)	2015/16 kSEK (15 month)	2014 kSEK	2013 kSEK
Balance sheet				
total, kSEK	9,908	9,692	8,096	6,699
Equity/assets ratio...	20.6%	21.3%	26.1%	32.1%

MULTI-YEAR REVIEW kINR

	2016/17 kINR (15 month)	2015/16 kINR (15 month)	2014 kINR	2013 kINR
Balance sheet				
total, kINR	71,932	70,362	58,777	48,635
Equity/assets ratio...	20.6%	21.3%	26.1%	32.1%

CHANGES IN EQUITY

	Share capital	Profit/loss brought forward	Net profit/loss	TOTAL
Amount at beginning of year according to adopted balance sheet	100000S EK 726 000INR	2011494SEK 14603446INR	(45303SEK) (328900NR)	2066191SEK 15000546INR

	Share capital	Profit/loss brought forward	Net profit/loss	TOTAL
Appropriation of profits as resolved by the AGM.....				
To be carried forward		(45303SEK) (328900NR)	45303SEK 328900NR	
Profit/loss for the year			(24952SEK) (181152INR)	(24952SEK) (181152INR)
Balance at year-end	100000S EK 726 000INR	1966191SEK 14274546INR	(24952SEK) (181152INR)	2041239SEK 14819395 INR

PROPOSED APPROPRIATION OF PROFITS

	SEK	INR
The following profits are at the disposal of the Annual General Meeting:		
Profit brought forward.....	1,966,191	14,274,547
Profit/Loss for the year	(24,952)	(181,152)
Total	1,941,239	14,093,395
The Board of Directors proposes that the available profits be appropriated as follows:		
Dividend to shareholders	1,941,239	14,093,395
Total	1,941,239	14,093,395

INCOME STATEMENT

Note	1 Apr 2016 –31 Mar 2017 SEK	1 Jan 2015 –31 Mar 2016 SEK	1 Apr 2016 –31 Mar 2017 INR	1 Jan 2015 –31 Mar 2016 INR
Operating expenses				
Other external expenses	(24,952)	(47,372)	(181,152)	(343,921)
Total operating expenses	(24,952)	(47,372)	(181,152)	(343,921)
Operating profit/loss	(24,952)	(47,372)	(181,152)	(343,921)
Financial items				
Other interest income and similar profit/loss items	–	2069	0	15,021
Total financial items	0	2069	0	15,021
Profit/loss after financial items	(24,952)	(45,303)	(181,152)	(328,900)
Profit/Loss before tax	(24,952)	(45,303)	(181,152)	(328,900)
Profit/Loss for the year	(24,952)	(45,303)	(181,152)	(328,900)

BALANCE SHEET

	Note	31-Mar-17 SEK	31-Mar-16 SEK	31-Mar-17 INR	31-Mar-16 INR
Assets					
Current assets					
<i>Current receivables</i>					
Trade receivables.....		1,363,413	2,984,175	9,898,378	21,665,111
Receivables from Group companies		2,355,454	2,372,954	17,100,596	17,227,646
Total current receivables		3,718,867	5,357,129	26,998,974	38,892,757
<i>Cash and bank balances</i>					
Cash and bank balances		6,189,292	4,334,560	44,934,260	31,468,906
Total cash and bank balances		6,189,292	4,334,560	44,934,260	31,468,906
Total current assets		9,908,159	9,691,689	71,933,234	70,361,662
Total assets		9,908,159	9,691,689	71,933,234	70,361,662
Equity					
<i>Restricted equity</i>					
Share capital, 1000 shares.....		100,000	100,000	726,000	726,000
Total restricted equity		100,000	100,000	726,000	726,000
<i>Non-restricted equity</i>					
Profit brought forward		1,966,191	2,011,494	14,274,547	14,603,446
Profit/Loss for the year		(24,952)	(45,303)	(181,152)	(328,900)
Total Non-restricted equity		1,941,239	1,966,191	14,093,395	14,274,547
Total equity		2,041,239	2,066,191	14,819,395	15,000,547
Current liabilities					
Other liabilities		7,858,796	7,610,312	57,054,859	55,250,865
Accrued expenses and deferred income		8,124	15,186	58,980	110,250
Total current liabilities		7,866,920	7,625,498	57,113,839	55,361,115
Total equity and liabilities		9,908,159	9,691,689	71,933,234	70,361,662

SUPPLEMENTARY DISCLOSURES

Note 1. Accounting and Valuation Principles

The annual accounts have been prepared in accordance with BFNAR 2016:10 Annual Accounts of Small Limited Companies.

Definitions of key performance indicators

Equity/assets ratio

Equity and untaxed reserves (less deferred tax) as a percentage of total assets.

Note 2. Parent Company

The parent company in the smallest group in which the company is included, and which prepares consolidated accounts is Holiday Club Resorts OY, Corporate Identity Number 2033337-1, which has its registered office in Helsinki, Finland.

The parent company in the largest group in which the company is included and which prepares consolidated accounts is Mahindra & Mahindra Ltd, L65990MH1945PLC004558 with its registered office in India.

Annual reports for parent company could be found at Patent- och registerstyrelsen, PRH, for Finland and Ministry of Corporate Affairs (Company Master Data) for India.

The income statement and balance sheet will be presented for adoption at the Annual General Meeting of Shareholders held on 2017-04-21.

Åre 2017-04-21

Tapio Anttila

Iiro Rossi

Anne Oravainen

Our auditor's report has been submitted 2017-05-03.
Öhrlings PricewaterhouseCoopers AB

Magnus Olsson

Authorized Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the abridged Financial Statements of the Company for the financial period commencing from April 1, 2016 and ended on March 31, 2017.

Operations/State of the Company's Affairs

The Company is currently acting as a Holding Company for Holiday Club Canarias Sales & Marketing S.L.U. and Holiday Club Canarias Resort Management S.L.U.

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

Financial Highlights

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

During the period under review, the Company has made loss of Euro 2.926 (INR 202,646).

Dividends

No Dividend was proposed for the financial period under review.

Directors

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

- 1) Anne Oravainen
- 2) Holiday Club Resorts Oy, represented by Calvin Stuart Lucock

Statement of Directors

In the opinion of the Board of Directors, the accompanying abridged Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

Events Subsequent to Balance Sheet Date

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

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is wholly owned subsidiary of Holiday Club Sweden AB and in turn subsidiary of Holiday Club Resorts Oy (HCR) and in turn subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

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

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's report attached to Balance Sheet as at March 31, 2017.

Acknowledgements

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

Signed on behalf of the Board of Directors of
Holiday Club Canarias Investment S.L.U.

Anne Oravainen
Director

Holiday Club Resorts Oy
Director represented by
Calvin Stuart Lucock

Place : Gran Canaria, Mogán
Dated : April 12, 2017

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Translation of a report originally in Spanish based on our work performed in accordance with the audit regulations in force in Spain and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Note 2). In the event of a discrepancy, the Spanish language version prevails.

To the shareholder of HOLIDAY CLUB CANARIAS INVESTMENT, SLU:

Report on the Financial Statements

We have audited the accompanying financial statements of HOLIDAY CLUB CANARIAS INVESTMENT, SLU ("the Company"), which comprise the balance sheet as at 31 March 2017, and the income statement, statement of cash flows and notes to the financial statements for the year then ended.

Director's Responsibility for the Financial Statements

The director is responsible for preparing the accompanying financial statements so that they present fairly the equity, financial position and results of HOLIDAY CLUB CANARIAS INVESTMENT, SLU in accordance with Financial Reporting Standards applicable to the Company in Spain, identified in Note 2.1 to the accompanying financial statements, and for such internal control as the director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation by the Company's director of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the equity and financial position of HOLIDAY CLUB CANARIAS INVESTMENT, SLU as at 31 March 2017, and its results and its cash flows for the year then ended in accordance with Financial Reporting Standards as applicable to the Company in Spain.

Other issues

The Company did not audit the annual accounts of the previous year because it was not obliged to do so. Consequently, the comparative figures have not been audited. Our opinion refers exclusively to the accompanying annual accounts for 2016-17.

Javier ALVAREZ CABRERA (n° ROAC: 16.092)
RSM SPAIN AUDITORES, SLP (n° ROAC: S2158)

Place: In Las Palmas de Gran Canaria
Date: April 12, 2017

BALANCE SHEET AT MARCH 31, 2017

ASSET	Notes	(Euros)	(Rupees)	(Euros)	(Rupees)
		2016/17	2016/17	2015/16	2015/16
A) NON CURRENT ASSET					
IV. Long-Term investments in group companies and associates	5	6,200	429,412	6,200	429,412
TOTAL A		<u>6,200</u>	<u>429,412</u>	<u>6,200</u>	<u>429,412</u>
B) CURRENT ASSETS					
III. Trade and other receivables	5	796	55,164	131,498	9,107,559
3. Other Debtors		796	55,164	131,498	9,107,559
IV. Short-term investments in Group, Multigroup and Associate companies	5-10	807,950	55,958,602	685,556	47,481,591
VII. Cash and equivalent liquid assets	5	761	52,740	1,151	79,738
TOTAL B		<u>809,508</u>	<u>56,066,507</u>	<u>818,205</u>	<u>56,668,889</u>
TOTAL ASSET (A + B)		<u>815,708</u>	<u>56,495,919</u>	<u>824,405</u>	<u>57,098,301</u>

		(Euros)	(Rupees)	(Euros)	(Rupees)
	Notes	2016/17	2016/17	2015/16	2015/16
TOTAL EQUITY AND LIABILITIES					
A) TOTAL EQUITY					
A-1) EQUITY		<u>4,755</u>	<u>329,355</u>	<u>649</u>	<u>44,921</u>
I. Capital	7	<u>3,100</u>	<u>214,706</u>	<u>3,100</u>	<u>214,706</u>
1. Share Capital		<u>3,100</u>	<u>214,706</u>	<u>3,100</u>	<u>214,706</u>
III. Reserves		<u>1,901</u>	<u>131,639</u>	<u>1,901</u>	<u>131,639</u>
V. Profit & Loss from previous periods		<u>(4,352)</u>	<u>(301,424)</u>	<u>(3,089)</u>	<u>(213,955)</u>
V.I Partner Contributions		<u>7,033</u>	<u>487,080</u>	<u>0</u>	<u>0</u>
VII. Result for the period (losses)	3	<u>(2,926)</u>	<u>(202,646)</u>	<u>(1,263)</u>	<u>(87,470)</u>
TOTAL A		<u><u>4,755</u></u>	<u><u>329,355</u></u>	<u><u>649</u></u>	<u><u>44,921</u></u>
B) NON CURRENT LIABILITIES					
III. Long term debts with Group and associated Companies	6-10	<u>0</u>	<u>0</u>	<u>6,252</u>	<u>433,016</u>
TOTAL B		<u>0</u>	<u>0</u>	<u>6,252</u>	<u>433,016</u>
C) CURRENT LIABILITIES					
IV. Short term debts with Group and associated Companies	6-10	<u>757,282</u>	<u>52,449,342</u>	<u>817,505</u>	<u>56,620,364</u>
V. Trade Creditors and other Accounts payable.....		<u>53,671</u>	<u>3,717,222</u>	<u>0</u>	<u>1</u>
2. Sundry Creditors		<u>53,671</u>	<u>3,717,222</u>	<u>0</u>	<u>1</u>
TOTAL C		<u><u>810,952</u></u>	<u><u>56,166,564</u></u>	<u><u>817,505</u></u>	<u><u>56,620,364</u></u>
TOTAL EQUITY AND LIABILITIES (A + B + C)		<u><u>815,708</u></u>	<u><u>56,495,919</u></u>	<u><u>824,405</u></u>	<u><u>57,098,301</u></u>

PROFIT AND LOSS ACCOUNT AT MARCH 31, 2017

CONCEPTS	Notes	(Euros)	(Rupees)	(Euros)	(Rupees)
		2016/17	2016/17	2015/16	2015/16
7. Other operating expenses	9	(2,873)	(198,959)	(1,181)	(81,784)
13. Other results		56	3,846	0	0
A.1.) OPERATING INCOME (LOSS)		(2,817)	(195,113)	(1,181)	(81,784)
14. Financial income		0	1	0	1
15. Financial Expenses	9	(109)	(7,534)	(82)	(5,687)
A.2) FINANCIAL PROFIT & LOSS (LOSS)		(109)	(7,533)	(82)	(5,686)
A.3) PROFIT BEFORE TAXES (LOSS)		(2,926)	(202,646)	(1,263)	(87,470)
19. Corporate Income Tax	8	0	0	0	0
A.5) PROFIT & LOSS IN THE PERIOD (LOSS)		(2,926)	(202,646)	(1,263)	(87,470)

STATEMENT OF CHANGES IN EQUITY AT MARCH 31, 2017

ITEMS	Notes	(Euros)	(Rupees)	(Euros)	(Rupees)
		2016/17	2016/17	2015/16	2015/16
A) STATEMENT OF RECOGNISED PROFIT AND LOSS					
A) PROFIT AND LOSS ACCOUNT	3	<u>(2,926)</u>	<u>(202,646)</u>	<u>(1,263)</u>	<u>(87,470)</u>
TOTAL OF RECOGNISED PROFIT AND LOSS (A)		<u>(2,926)</u>	<u>(202,646)</u>	<u>(1,263)</u>	<u>(87,470)</u>

STATEMENT OF CHANGES IN EQUITY AT MARCH 31, 2017

	(Euros)					
ITEM	Shared Capital	Reserves	Previous Year's Profit & Loss	Partner Contributions	Current Year's Profit & Loss	TOTAL
B) COMPLETE STATEMENT OF CHANGES TO EQUITY						
A. FINAL BALANCE YEAR						
2014/15	3,100	1,901	(1,732)	0	(1,357)	1,912
B. ADJUSTED BALANCE BEGINNING 2015/16						
	3,100	1,901	(1,732)	0	(1,357)	1,912
I. Total recognised Profit & Loss...	0	0	0	0	(1,263)	(1,263)
III. Other variations to Equity	0	0	(1,357)	0	1,357	0
C. FINAL BALANCE 2015/16						
	3,100	1,901	(3,089)	0	(1,263)	649
D. ADJUSTED BALANCE, BEGINNING 2016/17						
	3,100	1,901	(3,089)	0	(1,263)	648
I. Total recognised incomes and expenses.....	0	0	0	0	(2,926)	(2,926)
II. Transactions with shareholders or owners.....						
3. Other operations with partners or owners.....	0	0	0	7,033	0	7,033
III. Other changes to Equity.....	0	0	(1,263)	0	1,263	0
E. FINAL BALANCE 2016/17						
	3,100	1,901	(4,352)	7,033	(2,926)	4,755

(Rupees)

	(Rupees)					
ITEM	Shared Capital	Reserves	Previous Year's Profit & Loss	Partner Contributions	Current Year's Profit & Loss	TOTAL
B) COMPLETE STATEMENT OF CHANGES TO EQUITY						
A. FINAL BALANCE YEAR						
2014/15.....	214,706	131,639	(119,950)	0	(94,005)	132,390
B. ADJUSTED BALANCE BEGINNING 2015/16						
	214,706	131,639	(119,950)	0	(94,005)	132,390
I. Total recognised Profit & Loss...	0	0	0	0	(87,470)	(87,470)
III. Other variations to Equity	0	0	(94,005)	0	94,005	0
C. FINAL BALANCE 2015/16						
	214,706	131,639	(213,955)	0	(87,470)	44,921
D. ADJUSTED BALANCE, BEGINNING 2016/17						
	214,706	131,639	(213,955)	0	(87,470)	44,914
I. Total recognised incomes and expenses.....	0	0	0	0	(202,646)	(202,646)
II. Transactions with shareholders or owners.....						
3. Other operations with partners or owners.....	0	0	0	487,080	0	487,080
III. Other changes to Equity.....	0	0	(87,470)	0	87,470	0
E. FINAL BALANCE 2016/17						
	214,706	131,639	(301,424)	487,080	(202,646)	329,355

ANNUAL REPORT CORRESPONDING TO THE FINANCIAL PERIOD ENDING ON MARCH 31, 2017.

1. THE COMPANY'S BUSINESS

1.1. HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U. was set up as a limited corporation on December 9, 2010, before the Notary Public Valentín Concejo Arranz, Member of the Guild of Notaries of the Canary Islands, whose offices are located in Maspalomas, under his Protocol Number 1525.

On March 3, 2011, it acquired its current status as a Sole Proprietor Limited Liability Company and on July 22nd, 2011, a corporate decision was notarised in which the accounting year initially established in the Corporate By-Laws from October 1st to September 30th was changed. However, during 2016 there was a change in the financial period, as indicated in note 2.3 of this report.

1.2. The main corporate mission comprises the acquisition, promotion, construction, urbanisation, management, operation, holding, use, enjoyment of, yielding of, business management of any type, or property, buildings, tourist complexes, hotels, and /or agricultural land in the country or urban areas and personal rights or rights in rem of real-estate property including its conveyance, whether in its entirety or partially, per apartment or by means of the sale of or assignment of rotational enjoyment rights, timeshare or any other kind of rights to use.

1.3. The Corporate offices are located at Avenida Ministra Anna Lindh 1, Urb. Amadores, in the municipality of Mogán (Gran Canaria).

1.4. The Company is dominant in the Holiday Club group under the terms of the article 42 of the Commercial Code. However, it does not prepare consolidated annual accounts because it does not exceed the limits set forth in the Capital Companies Law, so the following annual accounts refer exclusively to Holiday Club Canarias Investment, S.L.U.

2. BASIS USED FOR THE PRESENTATION OF THE ANNUAL ACCOUNTS

Foreign Currency amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 69.26 = FC: EUR1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31st March 2017

In the presentation of the accompanying abridged annual accounts, expressed in euros, the current commercial guidelines have been followed, which are:

2.1. True and Fair View

The annual accounts are obtained from the Company's accounting records and have been presented according to the regulations set out in Law 16/2007 of July 4, on the revised and adapted mercantile accounting legislation to harmonise it internationally on the basis of the European Union and by Royal Decree 1514/2007 of November 16, in which the General Accounting Plan was approved,

in order to reflect a true and fair view of the Equity, the financial situation and the Company's Profit & Loss as well as the veracity of the streams incorporated into the Cash-flow, according to generally accepted accounting practices and regulations.

Non-Mandatory Accounting Principles Applied:

During this Financial Year, only those Accounting Principles mandatory according to the Spanish Business Code and the Small & Medium Companies General Accounting Plan have been applied.

The Administrative Body has formulated these Annual Accounts, taking into account all mandatory accounting regulations and principals which carry a significant effect.

There is no principle which, if mandatory, has not been applied.

2.2. Critical Aspects in the Valuation and Judgement of Uncertainty

In the drafting of Annual Accounts for the financial year ending on March 31, 2017, it was not necessary for the Corporate Administrative Body to use any estimates to appraise assets, liabilities and expenses.

On the other hand, the Administrative Body is not aware of any uncertainties relative to conditions from which any doubts could arise, regarding the fact that the company is still operating normally. Therefore, the Annual Accounts have been prepared by the Administrative Body following the principals of a functioning company.

2.3. Comparison of the Information

For the purposes of the obligation established in Article 35.6 of the Spanish Business Code and to those effects derived from the application of the principles of uniformity and the requirement of comparability in Abridged Annual Accounts, not only do the data reflect the Financial Period ending on March 31, 2017, but the figures corresponding to the previous Financial Period ending on March 31, 2016.

However, it is important to point out that the figures corresponding to the Financial Year ending on March 31, 2016 will not be comparable, since the Financial Period ending on March 31, 2016 only covered 6 months and the next period covered twelve months. This is due to the fact that the shareholders passed a resolution in which they decided to modify the Financial Period, in order for it to start every April 1 of each year. This is why the Financial Period 2015/2016 only covered 6 months.

Said accounting balances were drafted according to the regulations established in Royal Decree 1514/2007, in which the Spanish General Accounting Plan was approved, therefore they need not be standardised to compare them.

Euros	Presentation 2016/17	Presentation 2015/16	Differences
ASSET			
B) CURRENT ASSETS.	818,205	132,649	685,556
IV. Short-term investments in Group, Multigroup and Associate companies	685,556	0	685,556
TOTAL ASSET (A + B)	824,405	138,849	685,556
Total Equity and liabilities			
C) CURRENT LIABILITIES	817,505	131,949	685,556
IV. Short term debts with Group and associated Companies	817,505	131,949	685,556
TOTAL EQUITY AND LIABILITIES (A + B + C)	824,405	138,849	685,556

Rupees	Presentation 2016/17	Presentation 2015/16	Differences
ASSET			
B) CURRENT ASSETS.	56,668,889	9,187,297	47,481,592
IV. Short-term investments in Group, Multigroup and Associate companies	47,481,591	0	47,481,591
TOTAL ASSET (A + B)	57,098,301	9,616,709	47,481,592
Total Equity and liabilities			
C) CURRENT LIABILITIES	56,620,364	9,138,773	47,481,592
IV. Short term debts with Group and associated Companies	56,620,364	9,138,773	47,481,591
TOTAL EQUITY AND LIABILITIES (A + B + C)	57,098,301	9,616,709	47,481,592

Currency exchange rate

Foreign Currency amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 69.26 = FC: EUR1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31st March 2017.

3. APPLICATION OF EARNINGS

The company's Administrators will propose at the Annual General Meeting, not to distribute results, due to the losses incurred in the financial year ending on March 31, 2017 of the amount of 2,926 Euros (202,655 Rupees). Said losses shall be compensated by the company's future profits.

Euros	2016/17	2015/16
Distribution Balance		
Financial Period Losses	(2,926)	(1,263)
Total	(2,926)	(1,263)
Distribution		
Losses accumulated from previous Financial Periods	2,926	(1,263)
Total	2,926	(1,263)

Rupees	2016/17	2015/16
Distribution Balance		
Financial Period Losses	(202,646)	(87,470)
Total	(202,646)	(87,470)
Distribution		
Losses accumulated from previous Financial Periods	(202,646)	(87,470)
Total	(202,646)	(87,470)

4. RECOGNITION AND MEASUREMENT

The main accounting principles and practices applied in the preparation of the annual accounts are adapted to the current legal requirements, highlighting as most important the principles of going concern, accrual, uniformity, prudence, not compensation and relative importance.

The main rules used by the company for the drafting of their financial period Annual Accounts, according to those established in the Spanish General Accounting Plan were the following:

4.1. Financial Instruments

The breakdown of the financial assets is as follows:

- Loans and accounts receivable, including those loans for commercial or non-commercial operations. Those whose maturity is no longer than one year are valued at their face-value, because they do not have any contractual interest rate and the effect of not up-dating cash-flow is not significant. Those whose maturity is over one year are measured at their reasonable value, which is equal to the value of the compensation delivered plus directly attributable transaction costs. Interest accrued is accounted for in the Profit & Loss Account, applying the Effective Interest Rate method.
- Investments in group, multi-group and associated companies: Investments in group companies are initially valued at their cost, plus transaction costs. The subsequent valuation is due to its cost lessened by the accumulated amount of the valuation adjustments for impairment that may exist.

Impairment occurs when the recoverable value is lower than the carrying amount, the recoverable value being understood as the greater of its fair value less sales costs and the present value of the future cash flows from the investment, which due to the Circumstances of the investee is considered recoverable value as the net asset value that is shown in the balance sheet of the group or associated company, corrected for the tacit capital gains that exist at the closing date.

The Company's financial liabilities are all debits and payable items, including debits for commercial operations and debits for non-commercial operations. They are initially valued at their fair value, except the debts for commercial transactions with a maturity not exceeding one year and without a contractual interest, the amount of which is expected to be paid in the short term, which are valued at their nominal value. Financial liabilities are subsequently measured at amortized cost. Accrued interests are recorded in the income statement using the effective interest rate method.

The financial instruments are classified in short and long term, if their maturity is less than or greater than twelve months, respectively.

The Company has complied with the requirements set forth in the registration and valuation standard for financial instruments.

4.2. Transactions in Foreign Currency.

Accounts mentioned in foreign currency are measured at the exchange rate in effect at the time of the transaction. Positive or negative differences occurring at the time of payment or collection as a consequence of monetary fluctuations are carried over to the Profit and Loss Account. At closing of the period, both positive and negative differences that did not occur are carried over to the Profit and Loss Account.

4.3. Tax on Profits

No current tax expense has been recorded in the year, because of the negative tax base results.

The breakdown of financial assets (excluding investments in group, multi-group and associated companies) by categories and classes is as follows:

<u>Euros</u>	Equity Instruments		Debt Securities		Credits/Derivatives/ Others	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
<u>Long-term Financial Assets</u>						
Loans and Receivables	-	-	-	-	-	-
Totals	-	-	-	-	-	-
<u>Short-term Financial Assets</u>						
Loans and Receivables	-	-	-	-	808,175	685,582
Liquid Assets	-	-	-	-	761	1,151
Totals	-	-	-	-	808,937	686,733

<u>Rupees</u>	Equity Instruments		Debt Securities		Credits/Derivatives/ Others	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
<u>Long-term Financial Assets</u>						
Loans and Receivables	-	-	-	-	-	-
Totals	-	-	-	-	-	-
<u>Short-term Financial Assets</u>						
Loans and Receivables	-	-	-	-	55,974,223	47,483,403
Liquid Assets	-	-	-	-	52,740	79,738
Totals	-	-	-	-	56,026,963	47,563,141

5.2. Breakdown by maturity:

The classification by maturity of the different financial assets is as follows:

<u>Euros</u>	2017/18	2018/19	2019/20	2020/21	2021/22	Next	Total I/t
Financial Assets							
Investments in Group and Associated Companies	807,950	-	-	-	-	-	-
Other financial assets	807,950	-	-	-	-	-	-
Commercial Debts and other Receivables	226	-	-	-	-	-	-
Sundry Receivables	226	-	-	-	-	-	-
Cash and other Liquid Assets	761	-	-	-	-	-	-
Liquid Assets	761	-	-	-	-	-	-
Totals	808,937	-	-	-	-	-	-

Rupees

Financial Assets	2017/18	2018/19	2019/20	2020/21	2021/22	Next	Total I/t
Investments in Group and Associated Companies	55,958,602	-	-	-	-	-	-
Other financial assets	55,958,602	-	-	-	-	-	-
Commercial Debts and other Receivables.	15,621	-	-	-	-	-	-
Sundry Receivables	15,621	-	-	-	-	-	-
Cash and other Liquid Assets.	52,740	-	-	-	-	-	-
Liquid Assets	52,740	-	-	-	-	-	-
Totals	56,026,963	-	-	-	-	-	-

5.3. Companies of the group, multigroup and associated:

a) The information of companies of the group and associated referred to 31/03/2017 is detailed below:

1) Name: HOLIDAY CLUB CANARIAS SALES & MARKETING, SLU

Address: Avda. Ministra Anna Lindh, number 1, Amadores, Mogán

Activity: it's main activity is the sale of rights of use by turn of real property of the resorts Playa Amadores, Sol Amadores, Vista Amadores, Jardín Amadores and Puerto Calma.

Percentage of direct participation: 100%

Figures of the balance 2016/17: annual accounts audited by RSM Spain Auditors

- Capital: 3,100 Euros (214,706 Rupees)
- Reserves: 5,396,060 Euros (373,731,116 Rupees)
- Grants: 417,849 Euros (28,940,222 Rupees)
- Losses from previous periods: (2,032,173) Euros ((140,748,302) Rupees)
- Result for the period (losses): (2,053,783) Euros ((142,245,011) Rupees)

Value of participation:

- theoretical value: 1,731,053 Euros (111,892,731 Rupees)

- book value: 3,100 Euros (214,706 Rupees)

1) Name: HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, SLU

Address: Avda. Ministra Anna Lindh, number 1, Amadores, Mogán

Activity: it's main activity is the hotel resorts management (Playa Amadores, Sol Amadores, Vista Amadores, Jardín Amadores and Puerto Calma).

Percentage of direct participation: 100%

Figures of the balance 2016/17: annual accounts audited by RSM Spain Auditors

- Capital: 3,100 Euros (214,706 Rupees)
- Reserves: 2,986,721 Euros (206,860,296 Rupees)
- Losses from previous periods: (236,134) Euros ((16,354,641) Rupees)
- Result for the period (profit): 320,068 Euros (22,167,910 Rupees)

Value of participation:

- theoretical value: 3,073,755 Euros (212,888,271 Rupees)
- book value: 3,100 Euros (214,706 Rupees)

b) There are not movements during 2016/17 and 2015/16 in equity instruments in companies of the group and associated.

6. FINANCIAL LIABILITIES

6.1. Types of liabilities

The breakdown of financial liabilities by category is as follows:

<u>Euros</u>	<u>Debits with Credit Institutions</u>		<u>Bonds and Other Market Securities</u>		<u>Derivatives/Others</u>	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
<u>Long-term financial Liabilities</u>						
Debits and Payables	-	-	-	-	-	-
<u>Short-term Financial Liabilities</u>						
Debits and Payables	-	-	-	-	757,282	817,505
Totals					757,282	817,505

<u>Rupees</u>	<u>Debits with Credit Institutions</u>		<u>Bonds and Other Market Securities</u>		<u>Derivatives/Others</u>	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
<u>Long-term financial Liabilities</u>						
Debits and Payables	-	-	-	-	-	-
<u>Short-term Financial Liabilities</u>						
Debits and Payables	-	-	-	-	52,449,317	56,620,396
Totals					52,449,317	56,620,396

<u>Euros</u>		2017/18	2018/19	2019/20	2020/21	2021/22	Next	Total I/p
Financial Liabilities								
Debits with Group and Associated Companies		757,282	-	-	-	-	-	-
Totals		757,282	-	-	-	-	-	-

<u>Rupees</u>		2017/18	2018/19	2019/20	2020/21	2021/22	Next	Total I/p
Financial Liabilities								
Debits with Group and Associated Companies		52,449,317	-	-	-	-	-	-
Totals		52,449,317	-	-	-	-	-	-

6.2. Classification by maturity

The short-term financial liabilities indicated in the previous section correspond to "Debts with companies of the Group and associates in the short term"

7. EQUITY

7.1. The Share Capital comes to 3,100 Euros (214,706 Rupees), divided into thirty-one shares at face value of 100 Euros (6,926 Rupees) each.

7.2. The Company has the sole proprietorship status, being its unique partner the entity Holiday Club Sweden AB.

8. FISCAL POSITION

8.1. Tax on Profits

The reconciliation between the accounting profit and loss and the taxable corporate income tax is as follows:

<u>Euros</u>	
Accounting profit	(2,926)
Total increase on Accounting profit	-
Total decrease on Accounting profit	-
Prior taxable income	(2,926)
Compensation neg. T.I. previous periods	
Tax base	-
Tax rate	25%
Total tax due	-
Deductions for double taxation	-
Total tax adjusted	-
Other deductions	-
Tax payable	-
Tax withholding and payments on account	
Tax to be paid or collected	-

Rupees

Accounting profit	(202,646)
Total increase on Accounting profit	-
Total decrease on Accounting profit	-
Prior taxable income	(202,646)
Compensation neg. T.I. previous periods	
Tax base	-
Tax rate	25%
Total tax due	-
Deductions for double taxation	-
Total tax adjusted	-
Other deductions	-
Tax payable	-
Tax withholding and payments on account	
Tax to be paid or collected	-

Notwithstanding the aforesaid, the Company is taxed within a group in which it is the parent company, subject to the special tax system of consolidated taxation. The generated taxable income that would be offset in future periods is compensated with positive taxable bases generated in the Group.

Loans between companies in the Group to cover negative taxable bases, have been recorded in the Company's accounting.

As per current legislation, taxes cannot be considered to have been settled until the returns presented have been inspected by the Revenue Service or the four-year statute of limitations has passed.

Therefore, at the date of closing, the Company has all taxes applicable corresponding to the last four years, including its Corporate Tax for the period 2016/2017, available for inspection.

The Administrative body of the Company considers that the abovementioned taxes have all been adequately settled, for which, even in the event of discrepancies in the interpretation of current regulations in the fiscal treatment practised on the operations, possible resulting liabilities, in the event they should materialise, would not significantly affect the attached abridged yearly accounts.

8.2. Profits or Tax Incentives

In the settlement of Corporate Taxes corresponding to the period 2016/2017, the Company has not applied any tax incentives.

9. INCOME AND EXPENSES

The Company has carried out the following operations in this period, which are reflected in the corresponding heading in the Profit and Loss Account:

<u>Euros</u>	<u>2016/17</u>	<u>2015/16</u>
Professional services	657	107
Bank Services and Similar	15	-
Local Tax	2,201	1,074
Totals	2,873	1,181
Other financials expenses	109	82
Totals	109	82
Local Tax	2,201	1,074
Totals	2,201	1,074

<u>Rupees</u>	<u>2016/17</u>	<u>2015/16</u>
Professional services	45,479	7,422
Bank Services and Similar	1,039	-
Local Tax	152,441	74,362
Totals	198,959	81,784
Other financials expenses	7,534	5,687
Totals	7,534	5,687
Local Tax	152,441	74,362
Totals	152,441	74,362

10. TRANSACTIONS WITH RELATED PARTIES

The balances at March 31, 2017 and 2016 with related companies are as follows:

<u>Euros</u>	<u>2016/2017</u>		<u>2015/2016</u>	
	<u>Debit Balances</u>	<u>Creditor Balances</u>	<u>Debit Balances</u>	<u>Creditor Balances</u>
Company				
Holiday Club Canarias Sales & Marketing, SLU	-	757,282	-	816,777
Holiday Club Canarias Resort Managemet, SLU	807,950	-	685,556	-
Holiday Club Sweden	-	-	-	727
Totals.	807,950	757,282	685,556	817,505

<u>Rupees</u>	<u>2016/2017</u>		<u>2015/2016</u>	
	<u>Debit Balances</u>	<u>Creditor Balances</u>	<u>Debit Balances</u>	<u>Creditor Balances</u>
Company				
Holiday Club Canarias Sales & Marketing, SLU	-	52,449,342	-	56,569,987
Holiday Club Canarias Resort Managemet, SLU	55,958,602	-	47,481,591	-
Holiday Club Sweden	-	-	-	50,376
Totals	55,958,602	52,449,342	47,481,591	56,620,364

The Company endorses the company of the group Holiday Club Canarias Resort Management, S.L.U. for a loan obtained of a financial institution for 750,000 Euros (51,945,000 Rupees).

11. OTHER INFORMATION

11.1. Average number of Employees

The Company has not employed anyone during this period.

11.2. Information about the Environment and Greenhouse Gas Emission Rights.

Due to the activities the Company carries out, it has no assets devoted to minimising environmental impact and the protection and improvement of the environment, nor has it incurred in expenses for those purposes, during this period. No funds have been provisioned to cover risks and expenses for environmental protection, since no contingencies related to the protection and improvement of the environment are esteemed to exist, nor have grants for environmental purposes been received.

Calvin Stuart Lucock
Joint and Several Administrator and
Holiday Club Resorts Oy Representative

Mogán, April 10, 2017.

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from April 1, 2016 and ended on March 31, 2017.

Operations/State of the Company's Affairs

The Company is primarily engaged in the sale of rotational enjoyment rights of holiday units.

The Company's Resort property located at Mogán, Gran Canaria, Spain, was fully operational. There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

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

During the period under review, the Company has earned revenue of Euro 7,813,566 (INR 541,167,590) and made loss of Euro 2,053,783 (INR 142,245,034).

Dividends

No Dividend was proposed for the financial period under review.

Directors

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

- 1) Anne Oravainen
- 2) Holiday Club Resorts Oy, represented by Calvin Stuart Lucock

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

Events Subsequent to Balance Sheet Date

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

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is wholly owned subsidiary of Holiday Club Canarias Investment S.L.U. and in turn subsidiary of Holiday Club Sweden AB and in turn subsidiary of Holiday Club Resorts Oy (HCR) and in turn subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

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

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2017.

Acknowledgements

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

Signed on behalf of the Board of Directors
of Holiday Club Canarias Sales & Marketing, S.L.U.

Anne Oravainen
Director

Holiday Club Resorts Oy
Director represented by
Calvin Stuart Lucock

Place : Gran Canaria, Mogán
Dated : April 12, 2017

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Translation of a report originally in Spanish based on our work performed in accordance with the audit regulations in force in Spain and prepared in accordance with the regulatory financial reporting framework applicable to the company in Spain (see Note 2). In the event of a discrepancy, the Spanish language version prevails.

To the shareholder of HOLIDAY CLUB CANARIAS SALES & MARKETING, SLU:

Report on the Financial Statements

We have audited the accompanying financial statements of **HOLIDAY CLUB CANARIAS SALES & MARKETING, SLU** ("the Company"), which comprise the balance sheet as at 31 March 2017, and the income statement, statement of cash flows and notes to the financial statements for the year then ended.

Director's Responsibility for the Financial Statements

The director is responsible for preparing the accompanying financial statements so that they present fairly the equity, financial position and results of HOLIDAY CLUB CANARIAS SALES & MARKETING, SLU in accordance with Financial Reporting Standards applicable to the Company in Spain, identified in Note 2.1 to the accompanying financial statements, and for such internal control as the director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

director of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the equity and financial position of HOLIDAY CLUB CANARIAS SALES & MARKETING, SLU as at 31 March 2017, and its results and its cash flows for the year then ended in accordance with Financial Reporting Standards as applicable to the Company in Spain.

Report on Other Legal and Regulatory Requirements

The accompanying director's report for 2016-2017 contains the explanations which the Company's directors consider appropriate about the Company's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2016-2017. Our work as auditors was confined to checking the director's report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of HOLIDAY CLUB CANARIAS SALES AND MARKETING, SLU.

Javier ALVAREZ CABRERA
(nº ROAC: 16.092)

RSM SPAIN AUDITORES, SLP
(nº ROAC: S2158)

In Las Palmas de Gran Canaria
on April 12, 2017

BALANCE AT MARCH 31, 2017

ASSETS	Notes	(Euros) 2016/17	(Rupees) 2016/17	(Euros) 2015/16	(Rupees) 2015/16
A) NON-CURRENT ASSETS					
I. Intangible Assets	5	1,636,101	113,316,332	1,811,706	125,478,731
4. Goodwill		1,627,195	112,699,534	1,807,995	125,221,703
5. IT applications		8,906	616,798	3,711	257,028
II. Fixed Assets	6	2,761,973	191,294,226	3,141,697	217,593,900
1. Property and Buildings		737,061	51,048,840	820,236	56,809,541
2. Technical Facilities and other Fixed Assets		2,024,912	140,245,386	2,321,461	160,784,358
V. Long-term financial investments	8	16,658	1,153,733	16,658	1,153,733
5. Other financial assets		16,658	1,153,733	16,658	1,153,733
VI. Deferred Tax Assets	13	77,754	5,385,239	86,878	6,017,168
TOTAL A		4,492,485	311,149,531	5,056,938	350,243,532
B) LIQUID ASSETS					
II. Inventories	11	7,301,117	505,675,338	7,707,366	533,812,172
1. Commercial inventories		7,291,268	504,993,254	7,694,024	532,888,070
6. Advance payments to suppliers	8	9,848	682,084	13,343	924,102
III. Commercial debtors and other accounts receivables		2,905,125	201,208,957	3,575,797	247,659,715
1. Trade receivables	8	2,891,611	200,273,011	3,541,661	245,295,434
a) Trade receivables/long term		862,025	59,703,843	629,690	43,612,329
b) Trade receivables/short term		2,029,587	140,569,168	2,911,971	201,683,105
4. Personnel	8	5,509	381,520	17,117	1,185,509
6. Other receivables from Public Administrations		8,005	554,426	17,020	1,178,772
IV. Short-term Investments in affiliated group and associated companies	8-19	773,357	53,562,725	835,040	57,834,880
2. Loans to companies		773,357	53,562,725	835,040	57,834,880
V. Short-term financial investments	8	8,210	568,614	0	0
5. Other financial assets		8,210	568,614	0	0
VI. Short-term accruals		1,430,409	99,070,131	1,358,594	94,096,190
VII. Cash and other equivalent liquid assets	8	643,344	44,557,995	522,771	36,207,149
1. Liquid assets		643,344	44,557,995	522,771	36,207,149
TOTAL B		13,061,562	904,643,760	13,999,568	969,610,105
TOTAL ASSETS (A + B)		17,554,047	1,215,793,291	19,056,506	1,319,853,637

BALANCE AT MARCH 31, 2017

NET WORTH AND LIABILITIES	Notes	(Euros)	(Rupees)	(Euros)	(Rupees)
		2016/17	2016/17	2015/16	2015/16
A) TOTAL EQUITY					
A-1) EQUITY		1,313,204	90,952,505	3,366,987	233,197,539
I. Capital	10	3,100	214,706	3,100	214,706
1. Shared Capital		3,100	214,706	3,100	214,706
III. Reserves	10	5,396,060	373,731,144	5,396,060	373,731,144
1. Legal and statutory		3,100	214,706	3,100	214,706
2. Other reserves		5,392,960	373,516,438	5,392,960	373,516,438
V. Profit & Loss from previous Periods		(2,032,173)	(140,748,311)	(1,850,138)	(128,140,586)
2. (Losses from previous Periods)		(2,032,173)	(140,748,311)	(1,850,138)	(128,140,586)
VII. Losses for the period	3	(2,053,783)	(142,245,034)	(182,035)	(12,607,725)
A-3) GRANTS, DONATIONS AND LEGACIES RECEIVED	17	417,849	28,940,236	486,574	33,700,135
TOTAL A		1,731,053	119,892,740	3,853,562	266,897,674
B) NON CURRENT LIABILITIES					
I. Long-term provisions	15	26,029	1,802,741	0	0
4. Other provisions		26,029	1,802,741	0	0
II. Long-term Debts	9	0	0	48,951	3,390,327
2. Debts to Loan Institutions		0	0	43,954	3,044,230
3. Finance lease creditors	7	0	0	4,997	346,097
III. Long-term debts with Group and associated Companies	9-19	12,417,834	860,059,189	12,167,834	842,744,189
IV. Deferred Tax liabilities	13-17	139,283	9,646,738	162,191	11,233,371
TOTAL B		12,583,146	871,508,668	12,378,976	857,367,887
C) CURRENT LIABILITIES					
II. Short-term provisions	15	631,833	43,760,746	645,660	44,718,429
III. Short-term debts	9	52,263	3,619,732	285,745	19,790,705
2. Debts to loan institutions		43,954	3,044,230	260,747	18,059,324
3. Finance lease creditors	7	4,750	328,952	21,553	1,492,728
5. Other financial liabilities		3,560	246,550	3,446	238,653
IV. Short-term debts with Group and associated Companies	9-19	2,125,585	147,217,999	1,580,482	109,464,167
V. Trade Creditors and other Accounts payable		430,168	29,793,406	312,082	21,614,776
1. Suppliers	9-22	207	14,317	207	14,317
3. Sundry Creditors	9-22	235,809	16,332,149	194,660	13,482,150
4. Staff (salaries pending payment)	9	4,408	305,328	9,010	624,055
6. Other debts with Public Administrations		102,271	7,083,277	108,205	7,494,254
7. Customer advances		87,472	6,058,335	0	0
TOTAL C		3,239,848	224,391,883	2,823,969	195,588,077
TOTAL NET WORTH AND LIABILITIES (A + B + C)		17,554,047	1,215,793,291	19,056,506	1,319,853,637

PROFIT AND LOSS ACCOUNTS AT MARCH 31, 2017

ITEMS	Notes	(Euros)	(Rupees)	(Euros)	(Rupees)
		2016/17	2016/17	2015/16	2015/16
A) CONTINUING OPERATIONS					
1. Turnover	21	7,813,566	541,167,590	5,204,832	360,486,659
a) Sales		5,178,589	358,669,098	3,943,204	273,106,306
b) Services rendered		2,634,977	182,498,492	1,261,628	87,380,354
2. Variation in inventories of products finished and being manufactured		(407,836)	(28,246,694)	300,299	20,798,690
3. Self-constructed assets		0	0	19	1,294
4. Supplies	14	(183,011)	(12,675,319)	(111,980)	(7,755,713)
a) Consumption of merchandise		(183,011)	(12,675,319)	(111,980)	(7,755,713)
5. Other operations income		2,755	190,831	798	55,260
a) Accessory income and other current operations		2,755	190,831	798	55,260
6. Personnel expenses		(2,801,380)	(194,023,595)	(1,586,695)	(109,894,495)
a) Wages, salaries and similar		(2,204,483)	(152,682,522)	(1,235,277)	(85,555,304)
b) Social Security contributions	14	(596,897)	(41,341,074)	(351,418)	(24,339,191)
7. Other operating expenses		(5,681,759)	(393,518,647)	(3,778,641)	(261,708,663)
a) Outsourced services	14	(5,075,645)	(351,539,203)	(3,345,499)	(231,709,287)
b) Taxes		(56,068)	(3,883,243)	(21,335)	(1,477,658)
c) Losses, impairment and variation of supplies from trade operations	14	(281,566)	(19,501,233)	(411,313)	(28,487,507)
d) Other current operating expenses		(268,481)	(18,594,968)	(494)	(34,211)
8. Depreciation of fixed assets	5-6	(695,743)	(48,187,159)	(268,711)	(18,610,954)
10. Allocation of subsidies for non-financial fixed assets and others	17	91,633	6,346,532	45,817	3,173,266
13. Other incomes and expenses	14	(51,253)	(3,549,750)	(17,124)	(1,186,032)
A.1.) Operating Income (LOSS)		(1,913,026)	(132,496,211)	(211,387)	(14,640,687)
14. Financial Incomes	8	150,058	10,392,992	78,896	5,464,309
b) Trade securities and other equity instruments		150,058	10,392,992	78,896	5,464,309
b 2) Third Parties		150,058	10,392,992	78,896	5,464,309
15. Financial expenses	9	(368,306)	(25,508,881)	(177,259)	(12,276,944)
a) For debts with group and associated Companies	19	(317,533)	(21,992,336)	(172,304)	(11,933,806)
b) Debts with Third Parties		(50,773)	(3,516,545)	(4,954)	(343,138)
17. Exchange differences		(35,779)	(2,478,035)	19,194	1,329,395
A.2) FINANCIAL PROFIT & LOSS (LOSS)		(254,027)	(17,593,924)	(79,169)	(5,483,240)
A.3) PROFIT BEFORE TAXES (LOSS)		(2,167,054)	(150,090,134)	(290,556)	(20,123,927)
19. Corporate Income Tax	13	113,270	7,845,100	108,522	7,516,202
A.5) PROFIT & LOSS IN THE PERIOD (LOSS)		(2,053,783)	(142,245,034)	(182,035)	(12,607,725)

STATEMENT OF CHANGES IN NET EQUITY AT MARCH 31, 2017

ITEMS	Notes	(Euros)	(Rupees)	(Euros)	(Rupees)
		2016/17	2016/17	2015/16	2015/16
A) STATEMENT OF RECOGNISED PROFIT AND LOSS					
A) PROFIT AND LOSS ACCOUNT	3	(2,053,783)	(142,245,034)	(182,035)	(12,607,725)
B) TOTAL P&L DIRECTLY ATTRIBUTABLE TO EQUITY	17	0	0	32,820	2,273,119
III. Grants, donations and legacies received		0	0	0	0
V. Tax effect		0	0	32,820	2,273,119
C) TRANSFERS TO PROFIT & LOSS ACCOUNT	17	(68,725)	(4,759,899)	(32,454)	(2,247,745)
VIII. Grants, donations and legacies received		(91,633)	(6,346,532)	(45,817)	(3,173,266)
IX. Tax effect		22,908	1,586,633	13,363	925,521
TOTAL RECOGNISED PROFIT & LOSS (A+ B + C)		(2,122,508)	(147,004,933)	(181,668)	(12,582,351)

STATEMENT OF CHANGES IN NET EQUITY AT MARCH 31, 2017 (euros)

ITEM	Shared Capital	Reserves	Accumulated Losses	Current year's Profit & Loss	Grants, donations and legacies received	TOTAL
B) TOTAL STATEMENT OF CHANGES TO EQUITY						
A. BALANCE AT YEAR'S END 2014/15	3,100	5,396,060	(173,211)	(1,676,927)	486,208	4,035,230
B. ADJUSTED BALANCE Year's beginning 2015/16	3,100	5,396,060	(173,211)	(1,676,927)	486,208	4,035,230
I. Total recognised incomes and expenses	0	0	0	(182,035)	366	(181,668)
III. Other changes to Equity	0	0	(1,676,927)	1,676,927	0	0
C. BALANCE AT YEAR'S END 2015/16	3,100	5,396,060	(1,850,138)	(182,035)	486,574	3,853,562
D. ADJUSTED BALANCE, BEGINNING OF YEAR 2016/17	3,100	5,396,060	(1,850,138)	(182,035)	486,574	3,853,562
I. Total recognised incomes and expenses	0	0	0	(2,053,783)	(68,725)	(2,122,508)
III. Other changes to Equity	0	0	(182,035)	182,035	0	0
E. BALANCE AT YEAR'S END 2016/17	3,100	5,396,060	(2,032,173)	(2,053,783)	417,849	1,731,053

STATEMENT OF CHANGES IN NET EQUITY AT MARCH 31, 2017 (Rupees)

ITEM	Shared Capital	Reserves	Accumulated Losses	Current year's Profit & Loss	Grants, donations and legacies received	TOTAL
B) TOTAL STATEMENT OF CHANGES TO EQUITY						
A. BALANCE AT YEAR'S END 2014/15	214,706	373,731,144	(11,996,619)	(116,143,967)	33,674,760	279,480,025
B. ADJUSTED BALANCE Year's beginning 2015/16	214,706	373,731,144	(11,996,619)	(116,143,967)	33,674,760	279,480,025
I. Total recognised incomes and expenses	0	0	0	(12,607,725)	25,375	(12,582,351)
III. Other changes to Equity	0	0	(116,143,967)	116,143,967	0	0
C. BALANCE AT YEAR'S END 2015/16	214,706	373,731,144	(128,140,586)	(12,607,725)	33,700,135	266,897,674
D. ADJUSTED BALANCE, BEGINNING OF YEAR 2016/17	214,706	373,731,144	(128,140,586)	(12,607,725)	33,700,135	266,897,674
I. Total recognised incomes and expenses	0	0	0	(142,245,034)	(4,759,899)	(147,004,933)
III. Other changes to Equity	0	0	(12,607,725)	12,607,725	0	0
E. BALANCE AT YEAR'S END 2016/17	214,706	373,731,144	(140,748,311)	(142,245,034)	28,940,236	119,892,741

CASH FLOW STATEMENT AT MARCH 31, 2017

ITEMS	Notes	(Euros)	(Rupees)	(Euros)	(Rupees)
		2016/17	2016/17	2015/16	2015/16
A) CASH-FLOW FROM OPERATING ACTIVITIES					
1. PROFIT & LOSS BEFORE TAX		(2,167,054)	(150,090,134)	(290,556)	(20,123,927)
2. ADJUSTMENTS TO PROFIT & LOSS		1,116,125	77,302,806	732,570	50,737,830
a) Depreciation of Fixed Assets	5-6	695,743	48,187,159	268,711	18,610,954
b) Value corrections of impairment losses		281,566	19,501,233	411,313	28,487,507
c) Change to provisions	15	12,201	845,058	0	0
d) Allocation of grants		(91,633)	(6,346,532)	(45,817)	(3,173,266)
g) Financial Income	8	(150,058)	(10,392,992)	(78,896)	(5,464,309)
h) Financial Expenses	9	368,306	25,508,881	177,259	12,276,944
3. CHANGES IN WORKING CAPITAL		841,626	58,291,049	(574,621)	(39,798,278)
a) Inventories		406,249	28,136,834	(279,865)	(19,383,435)
b) Trade and other accounts receivable		389,107	26,949,525	776,211	53,760,387
c) Other current assets		(71,815)	(4,973,941)	(797,026)	(55,202,031)
d) Creditors and other accounts payable		118,086	8,178,630	(273,942)	(18,973,199)
4. OTHER CASH FLOW FROM OPERATING ACTIVITIES		(218,248)	(15,115,889)	(98,363)	(6,812,635)
a) Interest payments	9	(368,306)	(25,508,881)	(177,259)	(12,276,944)
c) Interest receivable	8	150,058	10,392,992	78,896	5,464,309
d) Income taxes paid		0	0	0	0
5. CASH FLOW ON OPERATING ACTIVITIES		(427,551)	(29,612,168)	(230,970)	(15,997,011)
B) CASH FLOW FROM INVESTMENT ACTIVITIES					
6. PAYMENTS FOR INVESTMENTS		(167,261)	(11,584,512)	(13,857)	(959,766)
b) Intangible Assets	5	(7,070)	(489,684)	(3,816)	(264,296)
c) Fixed Assets	6	(151,981)	(10,526,214)	(10,041)	(695,469)
e) Other financial assets	8	(8,210)	(568,614)	0	0
7. DIVESTMENT RECEIPTS		202,714	14,039,995	1,317,740	91,266,704
a) Group and Associated Companies		184,077	12,749,184	1,317,361	91,240,442
c) Fixed Assets		18,637	1,290,811	0	0
e) Other financial assets		0	0	379	26,261
8. CASH FLOWS FROM INVESTMENT ACTIVITIES		35,453	2,455,483	1,303,883	90,306,938
C) CASH FLOWS FROM FINANCING ACTIVITIES					
10. RECEIVABLES AND PAYABLES FOR FINANCIAL INSTRUMENTS		512,670	35,507,532	(778,535)	(53,921,326)
a) Issue		795,217	55,076,728	312,433	21,639,135
3. Debts to Group and associated Companies		795,103	55,068,832	311,517	21,575,691
4. Other debts		114	7,896	916	63,444
b) Repayment and amortization		(282,547)	(19,569,196)	(1,090,968)	(75,560,462)
2. Debts with credit institutions		(282,547)	(19,569,196)	(140,968)	(9,763,462)
3. Debts with Group and Associated Companies		0	0	(950,000)	(65,797,000)
12. CASH FLOW FROM FINANCING ACTIVITIES		512,670	35,507,532	(778,535)	(53,921,326)
E) NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS		120,572	8,350,847	294,378	20,388,601
Cash or cash equivalents at the beginning of the year	8	522,771	36,207,149	228,394	15,818,548
Cash or equivalents at the end of the year	8	643,344	44,557,995	522,771	36,207,149

ANNUAL REPORT CORRESPONDING TO THE FINANCIAL PERIOD ENDING MARCH 31, 2017

1. THE COMPANY'S BUSINESS ACTIVITY

- 1.1. HOLIDAY CLUB CANARIAS SALES & MARKETING, S.L.U. was founded as a limited corporation on December 9th, 2010, before the Notary Public of the Guild of the Canary Islands, whose office is located in Maspalomas, Mr. Valentín Concejo Arranz, under his Protocol number 1524.
- 1.2. On March, 3, 2011, the Company acquired its current condition as a Sole Proprietor Limited Liability Company and on July 22nd 2011 the financial year, between April 1st until March 31st of the following year, has been fixed according to the Group that belongs to, explained in the following note. However, during this financial year has been a change of financial year as indicated in the note 2.3 of this document
- 1.3. Its main corporate mission comprises the acquisition, promotion, construction, urbanisation, management, operation, holding, use, enjoyment of, yielding of, business management of any type, or property, buildings, tourist complexes, hotels, and /or agricultural land in the country or urban areas and personal rights or rights in rem of real-estate property including its conveyance, whether in its entirety or partially, per apartment or by means of the sale of or assignment of rotational enjoyment rights, timeshare or any other kind of rights to use. The main activity is the sale of rotational enjoyment rights of holiday units in the five resorts called Playa Amadores, Sol Amadores, Vista Amadores, Jardín Amadores and Puerto Calma, as well as the management of a theme park in the municipality of Mogán, in Gran Canaria.
- 1.4. The Corporate offices are located at Avenida Anna Lindh, número 1, Urbanización Amadores, in the municipality of Mogán (Gran Canaria).
- 1.5. The Company is a part of a Group whose parent Company is HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U., headquartered at Avenida Ministra. Anna Lindh, number 1, Urbanización Amadores, in the municipality of Mogán (Gran Canaria). Said company does not present yearly consolidated accounts, because it is not mandatory for it to do so. This Spanish Group is integrated in a higher one, which the parent company is Holiday Club Resorts Oy, located in Finland, which presents yearly consolidated accounts.
- 1.6. On April 6th, 2011 the Public Deed was signed, by means of which the Company, together with its related company HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, S.L.U., acquired the business of the five tourist complexes which they are currently operating. In said acquisition, the Company was assigned the unsold weeks, which were recorded in the inventory for the amount of 3,730,000 Euros (279,638,100 Rupees); the rights to client's' loans recorded as financial assets for the amount of 2,251,656 Euros (168,806,650 Rupees), and the Goodwill corresponding to the main business of "Timeshare" for the amount of 1,967,742 Euros (147,521,617 Rupees). The remaining assets (real-estate property and goodwill from the administration and maintenance business) was assigned to the abovementioned related Company. On June 1st, 2012 a public Deed was also signed comprising a series of agreements related to the purchase of the business described above, which caused amongst other things, goodwill to be adjusted to 1,807,995 Euros (135,545,385 Rupees).

2. BASIS USED FOR THE PRESENTATION OF THE ANNUAL ACCOUNTS

The figures contained in the balance sheet, in the Profit & Loss Account, in the Statement of Changes to Equity, in the Cash-flow Statement and in this Report are expressed in Euros, which, upon being rounded out, cause small differences in their presentation.

Foreign Currency amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 69.26 = FC: EUR1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31st March 2017.

These annual accounts are presented for approval to the Ordinary General Meeting of Members.

2.1. True and Fair View

The annual accounts are obtained from the Company's accounting records and have been presented according to the regulations set

out in Law 16/2007 of July 4, on the revised and adapted mercantile accounting legislation to harmonise it internationally on the basis of the European Union and by Royal Decree 1514/2007 of November 16, in which the General Accounting Plan was approved, in order to reflect a true and fair view of the Equity, the financial situation and the Company's Profit & Loss as well as the veracity of the streams incorporated into the Cash-flow, according to generally accepted accounting practices and regulations.

2.2. Critical Aspects in the Valuation and Judgement of Uncertainty

At the closing of the financial period, estimations were used in the drafting of the annual accounts such as: calculation of the impairment of assets, estimations of the useful life of the assets, amongst others. Due to future events, it is possible that additional information to that existing at the time the annual accounts were drafted require modifying these estimations in future periods.

There are no significant uncertainties relating to events or conditions which would raise significant doubts about the possibility of the Company continuing to operate normally.

2.3. Comparing Information

On February 1st, 2016 General Meeting of the Company in which it was agreed to modify the start and end dates of the financial year in the by-laws, establishing April 1 to March 31 of each year. Exceptionally, with respect to this financial period beginning on October 1, 2015, it was agreed to finalize on March 31, 2016.

However, it is important to point out that the figures corresponding to the Financial Year ending on March 31, 2017 will not be comparable, since the Financial Period ending on March 31, 2016 only covered 6 months (October 2015 to March 2016) and the next period covered twelve months (April 2016 to March 2017).

3. APPLICATION OF RESULTS

The proposal for the application of the results of the financial period ending March 31st, 2017 which the Administrators shall draw up for approval by the Members, together with the distribution approved for the period ending on September 30th, 2016, is as follows:

Euros	2016/17	2015/16
Distribution Balance		
Financial Period Losses	(2,053,783)	(182,035)
Distribution		
Losses accumulated from previous Financial Periods	(2,053,783)	(182,035)
Total	(2,053,783)	(182,035)
Rupees		
	2016/17	2015/16
Distribution Balance		
Financial Period Losses	(142,245,034)	(12,607,725)
Distribution		
Losses accumulated from previous Financial Periods	(142,245,034)	(12,607,725)
Total	(142,245,034)	(12,607,725)

4. RECOGNITION AND MEASUREMENT REGULATIONS

The main accounting principles and practices applied in the drafting of the Annual Accounts follow current legislation, highlighting as most important the principles of company operation, accrual, consistency, prudence, non-compensation and relative importance.

The most significant accounting criteria applied in the drafting of the Annual Accounts is the following ones:

4.1. Intangible Fixed Assets

The intangible fixed assets are comprised of Goodwill and Computer applications which are valued at their acquisition price, including necessary additional expenses to get them up and running. The computer applications are amortised at 33 per cent according to their useful lives and the Goodwill is amortised at 10 per cent according to the Royal Decree 602/2016 of December 2, which determine that this intangible has to be amortised in 10 years.

At the closing of the financial period, goodwill has been measured and no impairment has been identified, as it has been estimated that the recoverable value is higher than the accounting value.

4.2. Tangible Fixed Assets

These have been appraised at their acquisition cost, including those additional costs necessary to put the assets into operation.

Maintenance and repair costs which do not improve the use of or extend the useful life of the assets are charged to the Profit and Loss account when they occur.

It is depreciated linearly depending on the useful life of assets and their residual value, according to the normal depreciation experienced during its operation, use and enjoyment, using as a reference point, the regulations contained in Law 27/2014 of November 27th, in which the Regulation of Corporate Taxes was approved, without prejudice to taking into consideration the technical or commercial obsolescence which could affect it. The percentages applied are the following:

Buildings	11,76 %
Machinery	10,53 – 25%
Other installations	10 – 12%
Furniture	10 – 25%
IT Equipment	12,5 – 25%
Vehicles	11,76 – 16%
Other intangible assets	4 – 18%

The Company's administrators consider that the accounting value of these assets does not exceed their recoverable value.

4.3. Financial Instruments

The Company's financial instruments are classified as:

- a) Loans and accounts receivable, including those loans for commercial or non-commercial operations. Those who's maturity is no longer than one year are valued at their face-value, because they do not have any contractual interest rate and the effect of not up-dating the cash-flow is not significant. Those whose maturity is over one year are measured at their reasonable value, equal to the value of the compensation delivered plus directly attributable transaction costs. Interests accrued are accounted for in the Profit & Loss Account, applying the Effective Interest Rate method.

Loss due to impairment of the value of these financial assets is the difference between their book value and the real value of future cash-flow estimated to be generated by them, less the effective interest rate calculated at the time of their initial recognition. The reversal of the impairment shall be limited by the loan's book value.

- b) Investments held until their maturity: The financial assets that the Company means to hold until their maturity has been included in this category. Their initial valuation is their reasonable value, which saving evidence to the contrary, shall be the price of the transaction plus those transaction costs directly attributable to them. Their subsequent valuation shall be measured at amortised cost. Interest shall be applied to the Profit and Loss Account at an effective interest rate. No corrections have been applied to their values.
- c) Debits and accounts payable, including debits from commercial operations and the amounts owed by non-commercial operations: They will initially be measured by their reasonable value, except those debits which are for trade operations with

a maturity of no more than one year and which do not bear any contractual interest, the amount of which is expected to be paid off short term, which are valued at their face value. Interest accrued is accounted for in the Profit and Loss Account, applying the effective interest rate method.

Financial instruments are classified as short and long-term, according to whether their maturity is less than or more than twelve months, respectively.

The Company has complied with requirements set out in the regulations relating to governing, recording and measurement of financial instruments.

4.4. Inventories

The Company's commercial stocks correspond to rotational enjoyment rights of rooms in the possession of the Company and are valued at acquisition price.

The Company's Administrators consider that the book value of the inventories does not exceed their recoverable value.

4.5. Transactions in Foreign Currency

The accounts mentioned in foreign currency are measured at the exchange rate in effect at the time of the transaction. Positive or negative differences occurring at the time of payment or collection as a consequence of monetary fluctuations are carried over to the Profit and Loss Account. At closing of the period, differences both positive and negative that did not occur are carried over to the Profit and Loss Account.

4.6. Profit Tax

The Company pays tax under the Tax Consolidation System, according to what is set out in Chapter 7 of Royal Legislative Decree 4/2004 of March 5, in which the Revised Text of the Corporate Tax Law was approved. Holiday Club Canarias Investment is the parent Company which presents the correspondent settlement.

Following the Accrual Principle, profit tax has been charged as an income during the period. Current tax has been calculated as per the financial results before taxes, adjusted by permanent differences and consolidation and decreased by applying deductions, as set out in the tax regulations in effect.

Income has also been accrued from deferred tax by activating tax credits at different times, originated in part by a fiscally non-deductible amortisation.

4.7. Income and Expenses

Income and expenses are charged according to the actual stream of goods and services which they represent and regardless of when the monetary or financial flow deriving there from arises.

Revenue from sales and services performed will be measured at the fair value of the consideration received or receivable; the amount of any discount deducted, reduction in the price or other similar items that the company might grant. They are recognized when all the risks and significant benefits inherent in the ownership of the property have been transferred to the buyer.

Purchases and services incorporate taxes levied on the operation, with the exception of the VAT when deductible status is had.

4.8. Provisions and Contingencies

Provisions are present obligations on the date of the balance sheet that have arisen as a result of past events; the amount and timing of cancellation are undetermined. Provisions are recorded at the current value of the estimated amount that the company will have to pay to settle the obligation in the future.

Contingent liabilities are potential liabilities arising as a result of past events, whose realization is contingent upon that happening or not, one or more future events independent of the will of the Company. Contingent liabilities, as well as the Provisions whose amount cannot be estimated reliably or it is not very likely that the Company must dispose of resources embodying profits, for their cancellation are not recognized for accounting purposes but are broken down in the Report.

4.9. Personnel Expenses

Personnel expenses are recognised on the basis of their accrual, considering that bonus payments are accrued on a yearly basis. There are no commitments for pensions nor retirement bonuses in the Company.

 4.10. Grants, Donations and Legacies

Capital grants, which are non-refundable, are recorded directly in Equity as revenue, excluding the tax effect and are attributed to the Financial Period's results in proportion to the allocation of depreciation in the period for the assets pertaining to the grant.

 4.11. Criteria used in transactions between related parties.

Transactions between related parties are accounted for, in general, by their reasonable value.

 5. INTANGIBLE FIXED ASSETS

5.1. The transactions that occurred during the 2016/17 and 2015/16 periods were the following:

<u>Euros</u>	<u>Balance</u> <u>31.03.16</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Balance</u> <u>31.03.17</u>
Gross Costs				
Goodwill	1,807,995	-	-	1,807,995
IT Applications	14,517	7,070	-	21,587
Totals	1,822,511	7,070	-	1,829,582

<u>Euros</u>	<u>Balance</u> <u>31.03.16</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Balance</u> <u>31.03.17</u>
Accumulated amortization				
Goodwill	-	180,799	-	180,799
IT Applications	10,806	1,876	-	12,681
Totals	10,806	182,675	-	193,481
Net Totals	1,811,706			1,636,101

<u>Euros</u>	<u>Balance</u> <u>30.09.15</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Balance</u> <u>31.03.16</u>
Gross Costs				
Goodwill	1,807,995	-	-	1,807,995
IT Applications	10,701	3,816	-	14,517
Totals	1,818,696	3,816	-	1,822,511

<u>Euros</u>	<u>Balance</u> <u>30.09.15</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Balance</u> <u>31.03.16</u>
Accumulated amortization				
IT Applications	10,701	105	-	10,806
Net Totals	1,807,995			1,811,706

<u>Rupees</u>	<u>Balance</u> <u>30.09.15</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Balance</u> <u>31.03.16</u>
Gross Costs				
Goodwill	125,221,734	-	-	125,221,703
IT Applications	741,151	264,296	-	1,005,430
Totals	125,962,885	264,296	-	126,227,133

<u>Rupees</u>	<u>Balance</u> <u>31.03.16</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Balance</u> <u>31.03.17</u>
Accumulated amortization				
IT Applications	741,151	7,272	-	748,402
Net Totals	125,221,734			125,478,731

<u>Rupees</u>	<u>Balance</u> <u>31.03.16</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Balance</u> <u>31.03.17</u>
Gross Costs				
Goodwill	125,221,703	-	-	125,221,703
IT Applications	1,005,430	489,684	-	1,495,114
Totals	126,227,133	489,684	-	126,716,817

<u>Rupees</u>	<u>Balance</u> <u>31.03.16</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Balance</u> <u>31.03.17</u>
Accumulated amortization				
Goodwill	-	12,522,169	-	12,522,169
IT Applications	748,402	129,914	-	878,316
Total	748,402	12,652,083	-	13,400,485
Net Totals	125,478,731			113,316,332

5.2. As indicated in Note 1.6, The Company acquired the Goodwill corresponding to the main "Timeshare" business in 2011 for the amount of 1,967,742 Euros (136,285,811 Rupees). Said price was adjusted in the Purchase Deed granted in June 2012, for the amount of 159,747 Euros (11,064,077 Rupees).

5.3. There is no evidence of impairment through March 31, on any of the elements in the Intangible Assets.

5.4. There are fully depreciated software applications in use at March 31, 2016 and March 31, 2017 for the amount of 10,701 Euros (741,151 Rupees).

 6. TANGIBLE FIXED ASSETS

6.1. The transactions occurring during the 2016/17 and 2015/16 periods were the following:

<u>Euros</u>	<u>Balance</u> <u>31.03.16</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Balance</u> <u>31.03.17</u>
Gross Costs				
Buildings	1,125,496	26,781	-	1,152,278
Machinery	59,352	-	-	59,352
Other facilities	2,874,502	6,202	-	2,880,703
Furniture	244,833	3,946	-	248,779
IT Equipment	76,722	2,275	-	78,997
Vehicles	100,561	-	(72,567)	27,994
Other tangible fixed assets	22,267	112,777	-	135,044
Totals	4,503,733	151,981	(72,567)	4,583,146

<u>Euros</u>	<u>Balance</u> <u>31.03.16</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Balance</u> <u>31.03.17</u>
Accumulated amortization				
Buildings	305,260	109,956	-	415,217
Machinery	19,636	6,782	-	26,418
Other installations	741,735	303,159	-	1,044,894
Furniture	164,334	66,415	-	230,749
IT Equipment	57,966	9,525	-	67,491
Vehicles	55,911	9,937	(53,929)	11,919
Other tangible fixed assets	17,193	7,294	-	24,486
Totals	1,362,035	513,068	(53,929)	1,821,174

<u>Euros</u>	<u>Balance</u> <u>30.09.15</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Balance</u> <u>31.03.16</u>
Accumulated amortization				
Buildings	305,260	109,956	-	415,217
Machinery	19,636	6,782	-	26,418
Other installations	741,735	303,159	-	1,044,894
Furniture	164,334	66,415	-	230,749
IT Equipment	57,966	9,525	-	67,491
Vehicles	55,911	9,937	(53,929)	11,919
Other tangible fixed assets	17,193	7,294	-	24,486
Totals	1,362,035	513,068	(53,929)	1,821,174

<u>Euros</u>	<u>Balance</u> <u>30.09.15</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Balance</u> <u>31.03.16</u>
Net Totals	3,141,698			2,761,973

<u>Euros</u>	<u>Balance</u> <u>30.09.15</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Balance</u> <u>31.03.16</u>
Gross Costs				
Buildings	1,125,496	-	-	1,125,496
Machinery	59,351	-	-	59,352
Other facilities	2,872,887	1,615	-	2,874,502
Furniture	237,615	7,218	-	244,833
IT Equipment	75,513	1,209	-	76,722
Vehicles	100,561	-	-	100,561

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Euros	Balance 30.09.15	Acquisitions	Disposals	Balance 31.03.16
Other tangible fixed assets	22,267	-	-	22,267
Totals	4,493,690	10,041	-	4,503,732
<u>Accumulated amortization</u>				
Buildings	240,033	65,227	-	305,260
Machinery	16,258	3,378	-	19,636
Other installations	590,220	151,515	-	741,735
Furniture	132,009	32,324	-	164,333
IT Equipment	51,310	6,656	-	57,966
Vehicles	48,040	7,871	-	55,911
Other tangible fixed assets	15,558	1,635	-	17,193
Totals	1,093,429	268,606	-	1,362,036
Net Totals	3,400,262			3,141,696

Rupees	Balance 31.03.16	Acquisitions	Disposals	Balance 31.03.17
<u>Gross Costs</u>				
Buildings	77,951,853	1,854,885	-	79,806,742
Machinery	4,110,720	-	-	4,110,688
Other facilities	199,088,009	429,530	-	199,517,516
Furniture	16,957,134	273,313	-	17,230,422
IT Equipment	5,313,766	157,570	-	5,471,323
Vehicles	6,964,855	-	(5,025,968)	1,938,886
Other tangible fixed assets	1,542,212	7,810,916	-	9,353,134
Totals	311,928,548	10,526,214	(5,025,968)	317,428,709
<u>Accumulated amortization</u>				
Buildings	21,142,308	7,615,586	-	28,757,902
Machinery	1,359,989	469,712	-	1,829,697
Other installations	51,372,566	20,996,809	-	72,369,381
Furniture	11,381,773	4,599,912	-	15,981,661
IT Equipment	4,014,725	659,692	-	4,674,429
Vehicles	3,872,396	688,217	(3,735,156)	825,482
Other tangible fixed assets	1,190,787	505,149	-	1,695,931
Totals	94,334,544	35,535,076	(3,735,156)	126,134,483
Net Totals	217,594,003			191,294,226

Rupees	Balance 30.09.15	Acquisitions	Disposals	Balance 31.03.16
<u>Gross Costs</u>				
Buildings	77,951,853	-	-	77,951,853
Machinery	4,110,650	-	-	4,110,720

Rupees	Balance 30.09.15	Acquisitions	Disposals	Balance 31.03.16
Other facilities	198,976,154	111,855	-	199,088,009
Furniture	16,457,215	499,919	-	16,957,134
IT Equipment	5,230,030	83,735	-	5,313,766
Vehicles	6,964,855	-	-	6,964,855
Other tangible fixed assets	1,542,212	-	-	1,542,212
Totals	311,232,969	695,509	-	311,928,547
<u>Accumulated amortization</u>				
Buildings	16,624,686	4,517,650	-	21,142,335
Machinery	1,126,029	233,988	-	1,360,017
Other installations	40,878,637	10,493,950	-	51,372,587
Furniture	9,142,943	2,238,791	-	11,381,735
IT Equipment	3,553,731	461,028	-	4,014,759
Vehicles	3,327,250	545,145	-	3,872,396
Other tangible fixed assets	1,077,547	113,271	-	1,190,818
Totals	75,730,823	18,603,824	-	94,334,647
Net Totals	235,502,146			217,593,900

6.2. The acquisition in the period 2016/17 correspond, mainly, to investments in the Angry Birds Park.

6.3. Fixed assets acquired through finance lease contracts is as follows (see Note 7.1):

	(Euros)
Information Processing Equipment	13,378
Transport Elements (Vehicles)	92,361
	(Rupees)
Information Processing Equipment	926,560
Transport Elements (Vehicles)	6,396,923

6.4. There are no signs of impairment through March 31st, for the elements in the Tangible Fixed Assets.

6.5. The fixed assets are covered against risk of fire, theft, etc., by means of several insurance policies with the corresponding premiums paid up-to-date.

6.6. There are fully depreciated information processing equipment in use at March 31, 2017 for the amount of 46,797 Euros (3,241,160 Rupees). At March 31, 2016 amounted 34,416 Euros (2,383,652 Rupees)

7. LEASES AND OTHER SIMILAR OPERATIONS

Financial Leases

7.1. The amount initially recognised for the fixed assets subject to financial leasing comes to 105,739 Euros (7,323,483 Rupees) and corresponds to IT equipment and vehicles for 13,378 Euros (926,560 Rupees) and 92,361 Euros (6,396,923 Rupees) respectively (see Note 6.3). These assets have been recorded at their reasonable value.

7.2. The reconciliation between minimum future payments and the current value at the close of the 2016/17 and 2015/2016 period, is the following: (see Note 9.6):

Euros	2016/17	2015/16
Total amount of minimum future payments at the end of the period	4,772	27,226
Financial expenses not accrued	(22)	(676)
Current value to the end of the period (note 9.6)	4,750	26,550

<u>Rupees</u>	<u>2016/17</u>	<u>2015/16</u>	<u>Rupees</u>	<u>2016/17</u>	<u>2015/16</u>
Total amount of minimum future payments at the end of the period	330,490	1,885,673	Minimum payment		
Financial expenses not accrued	(1,538)	(46,848)	Up to 1 year	330,490	1,538,057
Current value to the end of the period (note 9.6)	328,952	1,838,825	From 1 to 5 years	-	347,616
			Current value		
			Up to 1 year	328,952	1,492,732
			From 1 to 5 years	-	346,092

7.3. Minimum lease payments and their current value, at the end of the 2016/2017 and 2015/2016 years, according to their maturity are the following:

<u>Euros</u>	<u>2016/17</u>	<u>2015/16</u>
Minimum payment		
Up to 1 year	4,772	22,207
From 1 to 5 years	-	5,019
Current value		
Up to 1 year	4,750	21,553
From 1 to 5 years	-	4,997

7.4. The value of the Purchase Option of the fixed assets subject to financial leases comes to 553 Euros (38,301 Rupees).

7.5. The contingent quotas recognised as expenses in the 2016/17 financial period, come to 925 Euros (64,066 Rupees) (1,080 Euros (74,801 Rupees) in the 2015/16 financial period)

8. FINANCIAL ASSETS

Information related to the Balance Sheet

8.1. Categories of financial assets (except for investments in the equity of Group, Multigroup and associated companies):

The breakdown of financial assets (except for investments in the equity of Group, Jointly-controlled group and associated companies) by categories and classes is as follows:

<u>Euros</u>	<u>Equity Instruments</u>		<u>Debt Securities</u>		<u>Credits/Derivatives/Others</u>	
	<u>31.03.17</u>	<u>31.03.16</u>	<u>31.03.17</u>	<u>31.03.16</u>	<u>31.03.17</u>	<u>31.03.16</u>
<u>Long-term Financial Assets</u>						
Investments held to maturity	-	-	-	-	16,658	16,658
Loans and Receivables	-	-	-	-	862,025	629,690
Totals	-	-	-	-	878,683	646,348
<u>Short-term Financial Assets</u>						
Loans and Receivables	-	-	-	-	2,826,510	3,777,470
Liquid Assets	-	-	-	-	643,344	522,771
Totals	-	-	-	-	3,469,854	4,300,241
<u>Rupees</u>	<u>Equity Instruments</u>		<u>Debt Securities</u>		<u>Credits/Derivatives/Others</u>	
	<u>31.03.17</u>	<u>31.03.16</u>	<u>31.03.17</u>	<u>31.03.16</u>	<u>31.03.17</u>	<u>31.03.16</u>
<u>Long-term Financial Assets</u>						
Investments held to maturity	-	-	-	-	1,153,733	1,153,733
Loans and Receivables	-	-	-	-	59,703,843	43,612,329
Totals	-	-	-	-	60,857,576	44,766,062
<u>Short-term Financial Assets</u>						
Loans and Receivables	-	-	-	-	195,764,112	261,627,596
Liquid Assets	-	-	-	-	44,557,995	36,207,149
Totals	-	-	-	-	240,322,107	297,834,744

8.2. Classification by Maturity:

The ratings depending on the maturity of different financial assets are as follows:

<u>Euros</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>Next</u>	<u>Total I/t</u>
Financial Assets							
Financial Investments	8,210	-	-	-	-	16,658	16,658
Other financial assets	8,210	-	-	-	-	16,658	16,658
Advances to Suppliers	9,848	-	-	-	-	-	-

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Euros							
Financial Assets	2017/18	2018/19	2019/20	2020/21	2021/22	Next	Total I/t
Investments in Group and Associated Companies	773,357	-	-	-	-	-	-
Loans to companies	773,357	-	-	-	-	-	-
Commercial Debts and other Receivables	2,035,095	438,922	276,342	98,389	36,645	11,727	862,025
Customer receivables for sales and services	2,253,789	438,922	276,342	98,389	36,645	11,727	862,025
Clients' Impairment	(224,202)	-	-	-	-	-	-
Personnel	5,509	-	-	-	-	-	-
Cash and other Liquid Assets	643,344	-	-	-	-	-	-
Liquid Assets	643,344	-	-	-	-	-	-
Totals	3,469,854	438,922	276,342	98,389	36,645	28,385	878,683

Rupees							
Financial Assets	2017/18	2018/19	2019/20	2020/21	2021/22	Next	Total I/t
Financial Investments	568,614	-	-	-	-	1,153,733	1,153,733
Other financial assets	568,614	-	-	-	-	1,153,733	1,153,733
Advances to Suppliers	682,084	-	-	-	-	-	-
Investments in Group and Associated Companies	53,562,725	-	-	-	-	-	-
Loans to companies	53,562,725	-	-	-	-	-	-
Commercial Debts and other Receivables	140,950,688	30,399,725	19,139,449	6,814,444	2,538,011	812,214	59,703,843
Customer receivables for sales and services	156,097,428	30,399,725	19,139,449	6,814,444	2,538,011	812,214	59,703,843
Clients' Impairment	(15,528,260)	-	-	-	-	-	-
Personnel	381,520	-	-	-	-	-	-
Cash and other Liquid Assets	44,557,995	-	-	-	-	-	-
Liquid Assets	44,557,995	-	-	-	-	-	-
Totals	240,322,107	30,399,725	19,139,449	6,814,444	2,538,011	1,965,947	60,857,576

8.3. Corrections due to Impairment caused by Credit Risk

Transactions in the corrective accounts representative of impairment losses due to credit risk to customers are as follows:

Euros	Amount
Balance at 30.09.15	1,207,262
Impairment Maturity (Note 14.1)	322,523
Impairment reversal (Note 14.1)	(486,718)
Balance at 31.03.16	1,043,067
Impairment Maturity (Note 14.1)	176,860
Impairment reversal (Note 14.1)	(995,725)
Balance at 31.03.17	224,202
Rupees	
Balance at 30.09.15	83,614,966
Impairment Maturity (Note 14.1)	22,337,943
Impairment reversal (Note 14.1)	(33,710,089)
Balance at 31.03.16	72,242,820
Impairment Maturity (Note 14.1)	12,249,319
Impairment reversal (Note 14.1)	(68,963,880)
Balance at 31.03.17	15,528,260

Information relating to the Profit and Loss Account

8.4. Financial Income

Under the heading Financial Income from Marketable Securities and Other Financial Instruments in the Profit and Loss Account for the amounts of 150,058 Euros (10,393,017 Rupees) and 78,896 Euros (5,464,337 Rupees) for the 2016/17 and 2015/16 Financial Periods respectively, correspond mainly to the accrual of default interest on late payments from clients.

Other Information

8.5. Reasonable Value

The book value of the financial assets is an acceptable approximation to the reasonable value.

Equity Instruments not being traded on an active market according to what is provided for in the 9th Rule of Recognition and Measurement of the Spanish New General Accounting Plan, are valued at their cost.

Equity Instruments traded on an active market according to what is provided for in the 9th Rule of Recognition and Measurement of the Spanish New General Accounting Plan, are measured at their reasonable value.

8.6. Information Regarding the Nature and Level of Risk from Financial Assets:

Due to its normal activity, the Company is exposed to different financial risks, essentially, credit risk, liquidity risk and market risk,

the latter referring to the rate of exchange; of interest rates and other price risks.

Credit Risks:

This basically refers to sales on credit to clients and debtors. To prevent possible effects, credit granted to clients and debtors are granted based on a preliminary solvency study and strict follow-up of loans and receivables. The client base is quite diversified.

Liquidity Risk:

The Company tries to keep an adequate liquidity ratio at all times to be able to honour its commitments, ensuring that current assets not including inventories, shall reasonably cover the current payables.

Market Rate Risk:

Due to the Company's activity and scope, it is subject to exchange rate risks of the sales made in foreign currency, depending on the volatility of the exchange rates.

Interest rate risks are minimum, because the Company grants loans at a fixed interest rate.

9. FINANCIAL LIABILITIES

Information related to the Balance Sheet

9.1. Categories of Financial Liabilities:

The breakdown of the financial liabilities by categories and classes is as follows:

Euros

Long-Term financial Liabilities

Debits and Payables

Totals

Short-Term financial Liabilities

Debits and Payables

Totals

	Debits with Credit Institutions		Bonds and Other Market Securities		Derivatives/Others	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Debits and Payables	-	48,951	-	-	12,417,834	12,167,834
Totals	-	48,951	-	-	12,417,834	12,167,834
Debits and Payables	48,703	282,299	-	-	2,457,041	1,787,805
Totals	48,703	282,299	-	-	2,457,041	1,787,805

Rupees

Long-Term financial Liabilities

Debits and Payables

Totals

Short-Term financial Liabilities

Debits and Payables

Totals

	Debits with Credit Institutions		Bonds and Other Market Securities		Derivatives/Others	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Debits and Payables	-	3,390,327	-	-	860,059,189	842,744,189
Totals	-	3,390,327	-	-	860,059,189	842,744,189
Debits and Payables	3,373,182	19,552,052	-	-	170,174,678	123,823,342
Totals	3,373,182	19,552,052	-	-	170,174,678	123,823,342

9.2. Classification by Maturity:

Classification according to the maturity of the different financial liabilities is as follows:

Euros

Financial Liabilities	2017/18	2018/19	2019/20	2020/21	2021/22	Next	Total I/t
Debts	52,263	-	-	-	-	-	-
Debts with Credit Institutions	43,954	-	-	-	-	-	-
Financial Lease Creditors	4,750	-	-	-	-	-	-

Euros

Financial Liabilities	2017/18	2018/19	2019/20	2020/21	2021/22	Next	Total I/t
Other financial liabilities	3,560	-	-	-	-	-	-
Debts with Group and Associated Companies	2,125,585	-	-	-	-	12,417,834	12,417,834
Trade Creditors and other Accounts Payable	327,897	-	-	-	-	-	-
Suppliers	207	-	-	-	-	-	-
Sundry Creditors	235,809	-	-	-	-	-	-
Personnel (wages pending payment)	4,408	-	-	-	-	-	-
Customer advances	87,472	-	-	-	-	-	-
Totals	2,505,744	-	-	-	-	12,417,834	12,417,834

Rupees

Financial Liabilities	2017/18	2018/19	2019/20	2020/21	2021/22	Next	Total I/t
Debts	3,619,732	-	-	-	-	-	-
Debts with Credit Institutions	3,044,230	-	-	-	-	-	-
Financial Lease Creditors	328,952	-	-	-	-	-	-
Other financial liabilities	246,550	-	-	-	-	-	-
Debts with Group and Associated Companies	147,217,999	-	-	-	-	860,059,189	860,059,189
Trade Creditors and other Accounts Payable	22,710,129	-	-	-	-	-	-
Suppliers	14,317	-	-	-	-	-	-
Sundry Creditors	16,332,149	-	-	-	-	-	-
Personnel (wages pending payment)	305,328	-	-	-	-	-	-
Customer advances	6,058,335	-	-	-	-	-	-
Totals	173,547,860	-	-	-	-	860,059,189	860,059,189

Information relating to the Profit and Loss Account and Equity

9.3. Financial Expenses

The heading for financial expenses for debts with group and associated companies for the 2016/17 and 2015/16 financial years for the amounts of 317,533 Euros (21,992,336 Rupees) and 172,304 Euros (11,933,775 Rupees), respectively, correspond to the accrual of interest on loans granted by group companies. The heading of debts to third parties includes interest accrued with credit institutions and public administrations due to the fact that we didn't materialize the Canary Islands Investment Reserve (RIC) of financial years 2012 and 2013, the amounts of which come to 4,677 Euros (323,929 Rupees) and 46,096 Euros (3,192,609 Rupees) for the 2016/17 and, for the 2015/16 only includes interests for debts with credit institutions, the amount which comes to 4,954 Euros (343,114 Rupees)

Other Information

9.4. Reasonable Value

The book value of the financial liabilities is an acceptable approximation to the reasonable value.

9.5. Information on the Nature and Level of Risk from Financial Liabilities

Due to its regular activity, the Company is exposed to diverse financial risks, basically credit risks, liquidity risks and market risks, the latter of which refers to exchange rate risks, interest rate risks and other price risks.

9.6. Other Information about Financial Instruments

a) Debts with credit institutions show the following breakdown:

<u>Euros</u>	<u>2016/2017</u>	<u>2015/2016</u>
Personal secured loans	43,954	304,700
Leasing (Note 7.2)	4,750	26,550
Totals	48,703	331,250
<u>Rupees</u>	<u>2016/2017</u>	<u>2015/2016</u>
Personal secured loans	3,044,230	21,103,554
Leasing (Note 7.2)	328,952	1,838,825
Totals	3,373,182	22,942,378

b) The average interest rate of non-commercial debts fluctuates between 1 and 5 per cent per annum.

10. SHAREHOLDERS' EQUITY

10.1. The share capital, for an amount of 3,100 Euros (214,706 Rupees), comprises 31 shares of 100 Euros (6,926 Rupees) face value each.

10.2. As per the Revised Text of the Law of Share Capital Companies, a figure equal to 10% of the period's profit must be kept in a reserve fund until this reaches at least 20% of the share capital. During the 2011/12 financial period, 3,100 Euros (232,407 Rupees) were allocated to said reserves.

10.3. The Canary Islands Investments Reserve Fund for the amount of 3,093,871 Euros (214,281,505 Rupees), is subject to the availability limitations established in the tax regulations.

10.4. The corporation HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U., owns 100 per cent of the share capital of the Company.

10.5. The breakdown of the heading "other reserves" from the Balance Sheet, is as follows:

<u>Euros</u>	<u>2016/17</u>	<u>2015/16</u>
Voluntary Reserves	1,892,290	708,441
Canary Islands Investment Reserves	3,093,871	4,322,921
Goodwill Reserves	406,799	361,599
Totals	5,392,960	5,392,960

<u>Rupees</u>	<u>2016/17</u>	<u>2015/16</u>
Voluntary Reserves	131,060,025	49,066,604
Canary Islands Investment Reserves	214,281,531	299,405,495
Goodwill Reserves	28,174,882	25,044,339
Totals	373,516,438	373,516,438

11. INVENTORIES

11.1. Inventories show the following break-down:

<u>Euros</u>	<u>2016/17</u>	<u>2015/16</u>
Merchandise in Stock, Angry Birds Theme Park	36,199	31,118
Unsold Weeks in Stock	7,255,070	7,662,905
Totals	7,291,268	7,694,024

<u>Rupees</u>	<u>2016/17</u>	<u>2015/16</u>
Merchandise in Stock, Angry Birds Theme Park	2,507,115	2,155,260
Unsold Weeks in Stock	502,486,139	530,732,809
Totals	504,993,254	532,888,070

11.2. The transactions of unsold weeks in stock during the 2014/15 y 2015/16 financial periods, have been as follows:

<u>Euros</u>	<u>Balance 31.03.16</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Balance 31.03.17</u>
Unsold weeks in stock	7,662,905	456,942	(864,777)	7,255,070

<u>Rupees</u>	<u>Balance 30.09.15</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Balance 31.03.16</u>
Unsold weeks in stock	7,362,607	676,833	(376,535)	7,662,905

<u>Euros</u>	<u>Balance 31.03.16</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Balance 31.03.17</u>
Unsold weeks in stock	530,732,832	31,647,775	(59,894,469)	502,486,139

<u>Rupees</u>	<u>Balance 30.09.15</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Balance 31.03.16</u>
Unsold weeks in stock	509,934,170	46,877,454	(26,078,814)	530,732,809

The increases in stock for 2016/17 were due to the weeks sold in previous years and recovered during 2016/17, due to the default of the customers of their debts with the company or to the related company HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, SLU for the amount of 441,942 Euros (30,608,903 Rupees) and, to a lesser extent, purchases of weeks made in the financial year 2016/17 amounting 15,000 Euros (1,038,900 Rupees). The increases in stocks for the financial year 2015/16 are due to the activation of hotel resort reforms, to the weeks sold in previous years and recovered during 2015/16, due to the default of the customers of their debts with the company or with the Related company HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, SLU for the amounts of 190,000 Euros (13,159,400 Rupees) and 486,833 Euros (33,718,054 Rupees) respectively. There are advances of 9,848 Euros (682,072 Rupees) and 13,343 Euros (924,136 Rupees) at the end of the financial years 2016/17 and 2015/16, respectively.

Except for what was commented in the previous paragraph, there are no firm commitments of purchase and sale, no futures contracts on stocks, nor limitations of availability.

11.3. There are no signs of impairment to the inventories at the end of the financial periods 2015/16 and 2016/17.

12. FOREIGN CURRENCY

12.1. Assets in foreign currency mostly correspond to commercial loans for the sale of weeks in stock. The most significant balances in the diverse foreign currencies are detailed below:

<u>Foreign currency</u>	<u>Balance at 31.03.17</u>	<u>Exchange Rate at 31.03.17</u>	<u>Euros at 31.03.17</u>	<u>Rupees at 31.03.17</u>
- Pounds Sterling	285,917	9,86 libra/euro	332,462	23,026,292

<u>Foreign currency</u>	<u>Balance at 31.03.16</u>	<u>Exchange Rate at 31.03.16</u>	<u>Euros at 31.03.16</u>	<u>Rupees at 31.03.16</u>
- Pounds Sterling	403,111	0,79 libra/euro	510,267	35,341,092

12.2. Transactions carried out in foreign currency during the 2016/17 and 2015/16 financial periods, correspond entirely to sales, reaching 255,218 Euros (17,676,399 Rupees) and 425,364 Euros (29,460,711 Rupees) respectively.

13. TAX POSITION

Profit Tax

13.1. Tax Consolidation Regime

The Company is taxed in the consolidated tax system in accordance with Chapter VII of Royal Legislative Decree 4/2004, of 5 March, which approved the revised text from the Law of Corporate Tax.

The Tax Group comprises the following corporations:

Parent: Holiday Club Canarias Investment, S.L.U.

Subsidiaries: Holiday Club Canarias Sales & Marketing, S.L.U. and Holiday Club Canarias Resort Management, S.L.U.

13.2. Individual Tax Base

The reconciliation of the net amounts of income and expenditures for the financial period against the tax base of Corporate Tax, is the following:

<u>Euros</u>	<u>Profit & Loss Account</u>	<u>Inc. & expend. directly attributable to Equity</u>
Balance of income and expenditure for the financial year	(2,053,783)	-
Profit Tax	(113,270)	-
Current Tax	(122,394)	-
Deferred Tax	9,124	-

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Euros	Profit & Loss Account	Inc. & expend. directly attributable to Equity
Permanent Differences		
Goodwill Deduction	90,400	-
RIC failure	1,229,049	-
Non-deductible Expenses	28,890	-
Temporary Differences		
70% Limit Amortization	(30,413)	-
Non-deductible Expenses	(12,860)	-
Tax Base (Tax Profit & Loss)	(861,988)	-

Rupees	Profit & Loss Account	Inc. & expend. directly attributable to Equity
Balance of income and expenditure for the financial year	(142,245,034)	-
Profit Tax	(7,845,100)	-
Current Tax	(8,477,029)	-
Deferred Tax	631,928	-
Permanent Differences		
Goodwill Deduction	6,261,104	-
RIC failure	85,123,934	-
Non-deductible Expenses	2,000,921	-
Temporary Differences		
70% Limit Amortization	(2,106,404)	-
Non-deductible Expenses	(890,684)	-
Tax Base (Tax Profit & Loss)	(59,701,263)	-

13.3. Corporate Tax Settlement

Under the rules applicable to the Tax Consolidation Regime, the taxable income of the tax group is determined by adding individual taxable bases corresponding to the companies comprising the Fiscal group, deletions, additions or deletions carried out in previous years and, in the event that the above sum proves to be positive, compensating the carry-forwards of the Fiscal group, as well as the outstanding tax bases to be applied by the companies taxable at the time of joining the Tax Group.

In consequence, the Individual Tax Base of Holiday Club Canarias Sales & Marketing, S.L.U., for a negative amount of 861,988 Euros (59,701,289 Rupees), are subject to addition together with the rest of the tax bases of the remaining companies comprising the Tax Group.

By applying the tax rate over the tax base, you obtain the total tax due for the tax group which is reduced by the items and amounts expressed below:

Euros	2016/17	2015/16
Previous Group Tax Base	(375,337)	116,247
Negative Group Tax base from previous financial years	-	(116,247)
Group Tax Base	(375,337)	-
Corporate income tax payable (25% x taxable base)	-	-
Group Gross Tax payable	-	-

Rupees	2016/17	2015/16
Previous Group Tax Base	(25,995,841)	8,051,267
Negative Group Tax base from previous financial years	-	(8,051,267)
Group Tax Base	(25,995,841)	-
Corporate income tax payable (25% x taxable base)	-	-
Group Gross Tax payable	-	-

13.4. Breakdown of expenditure on Income Tax

The expenditure on Income Tax accrued in the financial periods 2016/17 and 2015/16 is broken down as follows:

Euros	2016/17	2015/16
1. Current Tax	(122,394)	(113,084)
2. Deferred tax	9,124	4,562
- deductible temporary differences that are applied in the period	9,124	4,562
3. Total expenditure on income tax	(113,270)	(108,522)

Rupees	2016/17	2015/16
1. Current Tax	(8,477,029)	(7,832,198)
2. Deferred tax	631,928	315,996
- deductible temporary differences that are applied in the period	631,928	315,996
3. Total expenditure on income tax	(7,845,100)	(7,516,202)

13.5. Deferred Tax Asset

Transactions during the 2015/16 and 2016/17 financial periods found in this heading have been the following:

Euros	Balance 30.09.15	Acquisitions	Applications	Balance 31.03.16
- Temporary differences, 70% limit fiscal amortisation	91,440	-	(4,562)	86,878
Totals	91,440	-	(4,562)	86,878

Euros	Balance 31.03.16	Acquisitions	Applications	Balance 31.03.17
- Temporary differences, 70% limit fiscal amortisation	86,878	-	(9,124)	77,754
Totals	86,878	-	(9,124)	77,754

Rupees	Balance 30.09.15	Acquisitions	Applications	Balance 31.03.16
- Temporary differences, 70% limit fiscal amortisation	6,333,164	-	(315,996)	6,017,168
Totals	6,333,164	-	(315,996)	6,017,168

	Balance 31.03.16	Acquisitions	Applications	Balance 31.03.17
- Temporary differences, 70% limit fiscal amortisation	6,017,168	-	(631,928)	5,385,240
Totals	6,017,168	-	(631,928)	5,385,240

13.6. Deferred Tax Liabilities

The amount of 139,283 Euros (9,646,741 Rupees), corresponds to the tax effect of capital grants appearing in the Company's equity at March 31, 2017. The tax base applied is 25%.

13.7. The Canary Islands Investment Reserve

The Canary Islands Investment Reserve was provided for from January 1, 2007 and what has been set out in Royal Decree Act 12/2016 of December 29, in which Law 19/1994 of July 6, Modification of the Canary Islands Financial and Tax Regime (REF) was modified, is applicable.

At the end of the financial year 2015/2016, the situation of the Canary Islands Investment Reserve is as follows:

Euros

Item	2011	2011/12	2012/13
Provisions	776,358	1,081,563	2,465,000

Euros

Account	Item	Date Acquired	Acquisition Amount	Grant Deduction	Amount Used	Provision 2011	Provision 2011/2012	Provision 2012/2013
21100001	ANGRY BIRDS CONSTRUCTIONS	01.11.2013	1,084,195	633,330	633,330	633,330	-	-
					633,330	633,330	-	-
21301001	ANGRY BIRDS ASSETS	01.11.2013	55,851	23,226	32,625	32,625	-	-
21301001	Machinery	12.06.2014	3,500		3,500	3,500	-	-
					36,125	36,125	-	-
21508001	ANGRY BIRDS ASSETS	01.11.2013	2,833,292	1,178,231	1,655,060	106,902	1,081,563	466,595
21508001	Other Facilities	21.11.2013	7,710	-	7,710	-	-	7,710
21508001	Other Facilities	01.02.2014	1,102	-	1,102	-	-	1,102
21508001	Other Facilities	01.02.2014	2,590	-	2,590	-	-	2,590
21508001	Other Facilities	18.02.2014	755	-	755	-	-	755
21508001	Other Facilities	26.02.2014	746	-	746	-	-	746
21508001	Other Facilities	08.04.2014	1,609	-	1,609	-	-	1,609
21508001	Other Facilities	07.05.2014	110	-	110	-	-	110
21508001	Other Facilities	09.05.2014	298	-	298	-	-	298
21508001	Other Facilities	09.05.2014	943	-	943	-	-	943
21508001	Other Facilities	14.05.2014	893	-	893	-	-	893
21508001	Other Facilities	19.05.2014	1,609	-	1,609	-	-	1,609
21508001	Other Facilities	20.05.2014	1,390	-	1,390	-	-	1,390
21508001	Other Facilities	21.05.2014	396	-	396	-	-	396
21508001	Other Facilities	31.05.2014	1,476	-	1,476	-	-	1,476
21508001	Other Facilities	31.05.2014	604	-	604	-	-	604
21508001	Other Facilities	05.06.2014	1,811	-	1,811	-	-	1,811
21508001	Other Facilities	06.06.2014	26	-	26	-	-	26

Euros Item	2011	2011/12	2012/13
<u>Investments carried out</u>			
Financial Period 2013/14	(776,358)	(1,081,563)	(799,103)
Financial Period 2014/15	-	-	(263,916)
Financial Period 2015/16	-	-	(13,857)
Financial Period 2016/17	-	-	(159,074)

Rupees

Item	2011	2011/12	2012/13
Provisions	53,770,555	74,909,053	170,725,900
<u>Investments carried out</u>			
Financial Period 2013/14	(53,770,555)	(74,909,053)	(55,345,874)
Financial Period 2014/15	-	-	(18,278,822)
Financial Period 2015/16	-	-	(959,736)
Financial Period 2016/17	-	-	(11,017,465)

The Company, during the Financial Period 2013/14, carried out the following Investments, materialising the Reserve in the following assets and on the indicated dates on the following table. This table shows the Financial Period for which the provisions were materialised by type of asset is indicated:

HOLIDAY CLUB CANARIAS SALES & MARKETING S.L.U.

Euros								
Account	Item	Date Acquired	Acquisition Amount	Grant Deduction	Amount Used	Provision 2011	Provision 2011/2012	Provision 2012/2013
21508001	Other Facilities	06.06.2014	15	-	15	-	-	15
21508001	Other Facilities	06.06.2014	76	-	76	-	-	76
21508001	Other Facilities	01.08.2014	269	-	269	-	-	269
21508001	Other Facilities	01.08.2014	1,616	-	1,616	-	-	1,616
21508001	Other Facilities	01.08.2014	3,493	-	3,493	-	-	3,493
21508001	Other Facilities	08.08.2014	2,001	-	2,001	-	-	2,001
21508001	Other Facilities	01.09.2014	2,319	-	2,319	-	-	2,319
					1,688,918	106,902	1,081,563	500,453
21601002	ANGRY BIRDS ASSETS	01.11.2013	83,856	34,871.61	48,984	-	-	48,984
21601002	Furniture	19.11.2013	783	-	783	-	-	783
21601002	Furniture	19.11.2013	175	-	175	-	-	175
21601002	Furniture	01.03.2014	600	-	600	-	-	600
21601002	Furniture	01.04.2014	690	-	690	-	-	690
21601002	Furniture	15.04.2014	690	-	690	-	-	690
21601002	Furniture	31.05.2014	356	-	356	-	-	356
21601002	Furniture	01.06.2014	199	-	199	-	-	199
21601002	Furniture	01.06.2014	63	-	63	-	-	63
21601002	Furniture	01.06.2014	175	-	175	-	-	175
21601002	Furniture	01.06.2014	1,142	-	1,142	-	-	1,142
21601002	Furniture	29.06.2014	814	-	814	-	-	814
					54,670	-	-	54,670
21701001	IT Equipment	26.10.2013	1,347	-	1,347	-	-	1,347
21701001	IT Equipment	04.12.2013	768	-	768	-	-	768
21701001	IT Equipment	04.12.2013	749	-	749	-	-	749
21701001	IT Equipment	04.12.2013	14,176	-	14,176	-	-	14,176
21701002	IT Equipment	11.10.2013	1,224	-	1,224	-	-	1,224
					18,264	-	-	18,264
21801001	Vehicles	10.09.2014	19,509	-	19,509	-	-	19,509
21801001	Vehicles	12.09.2014	285	-	285	-	-	285
					19,794	-	-	19,794
21901008	Other Tangible Fixed Assets	01.12.2013	1,400	-	1,400	-	-	1,400
21901008	Other Tangible Fixed Assets	16.09.2014	64	-	64	-	-	64
21901008	Other Tangible Fixed Assets	16.09.2014	2,500	-	2,500	-	-	2,500
21901008	Other Tangible Fixed Assets	17.09.2014	64	-	64	-	-	64
					4,029	-	-	4,029

Rupees								
Account	Item	Date Acquired	Acquisition Amount	Grant Deduction	Amount Used	Provision 2011	Provision 2011/2012	Provision 2012/2013
21100001	ANGRY BIRDS CONSTRUCTIONS	01.11.2013	75,091,346	43,864,436	43,864,436	43,864,436	-	-
					43,864,436	43,864,436	-	-
21301001	ANGRY BIRDS ASSETS	01.11.2013	3,868,240	1,608,633	2,259,608	2,259,608	-	-
21301001	Machinery	12.06.2014	242,410	-	242,410	242,410	-	-
					2,502,018	2,502,018	-	-

Rupees

Account	Item	Date Acquired	Acquisition Amount	Grant Deduction	Amount Used	Provision 2011	Provision 2011/2012	Provision 2012/2013
21508001	ANGRY BIRDS ASSETS	01.11.2013	196,233,804	81,604,279	114,629,456	7,404,033	74,909,053	32,316,370
21508001	Other Facilities	21.11.2013	533,995	-	533,995	-	-	533,995
21508001	Other Facilities	01.02.2014	76,325	-	76,325	-	-	76,325
21508001	Other Facilities	01.02.2014	179,383	-	179,383	-	-	179,383
21508001	Other Facilities	18.02.2014	52,291	-	52,291	-	-	52,291
21508001	Other Facilities	26.02.2014	51,668	-	51,668	-	-	51,668
21508001	Other Facilities	08.04.2014	111,439	-	111,439	-	-	111,439
21508001	Other Facilities	07.05.2014	7,619	-	7,619	-	-	7,619
21508001	Other Facilities	09.05.2014	20,639	-	20,639	-	-	20,639
21508001	Other Facilities	09.05.2014	65,312	-	65,312	-	-	65,312
21508001	Other Facilities	14.05.2014	61,849	-	61,849	-	-	61,849
21508001	Other Facilities	19.05.2014	111,439	-	111,439	-	-	111,439
21508001	Other Facilities	20.05.2014	96,271	-	96,271	-	-	96,271
21508001	Other Facilities	21.05.2014	27,427	-	27,427	-	-	27,427
21508001	Other Facilities	31.05.2014	102,228	-	102,228	-	-	102,228
21508001	Other Facilities	31.05.2014	41,833	-	41,833	-	-	41,833
21508001	Other Facilities	05.06.2014	125,430	-	125,430	-	-	125,430
21508001	Other Facilities	06.06.2014	1,801	-	1,801	-	-	1,801
21508001	Other Facilities	06.06.2014	1,039	-	1,039	-	-	1,039
21508001	Other Facilities	06.06.2014	5,264	-	5,264	-	-	5,264
21508001	Other Facilities	01.08.2014	18,631	-	18,631	-	-	18,631
21508001	Other Facilities	01.08.2014	111,924	-	111,924	-	-	111,924
21508001	Other Facilities	01.08.2014	241,925	-	241,925	-	-	241,925
21508001	Other Facilities	08.08.2014	138,589	-	138,589	-	-	138,589
21508001	Other Facilities	01.09.2014	160,614	-	160,614	-	-	160,614
					116,974,391	7,404,033	74,909,053	34,661,306
21601002	ANGRY BIRDS ASSETS	01.11.2013	5,807,867	2,415,208	3,392,632	-	-	3,392,632
21601002	Furniture	19.11.2013	54,231	-	54,231	-	-	54,231
21601002	Furniture	19.11.2013	12,121	-	12,121	-	-	12,121
21601002	Furniture	01.03.2014	41,556	-	41,556	-	-	41,556
21601002	Furniture	01.04.2014	47,789	-	47,789	-	-	47,789
21601002	Furniture	15.04.2014	47,789	-	47,789	-	-	47,789
21601002	Furniture	31.05.2014	24,657	-	24,657	-	-	24,657
21601002	Furniture	01.06.2014	13,783	-	13,783	-	-	13,783
21601002	Furniture	01.06.2014	4,363	-	4,363	-	-	4,363
21601002	Furniture	01.06.2014	12,121	-	12,121	-	-	12,121
21601002	Furniture	01.06.2014	79,095	-	79,095	-	-	79,095
21601002	Furniture	29.06.2014	56,378	-	56,378	-	-	56,378
					3,786,513	-	-	3,786,513
21701001	IT Equipment	26.10.2013	93,293	-	93,293	-	-	93,224
21701001	IT Equipment	04.12.2013	53,192	-	53,192	-	-	53,192
21701001	IT Equipment	04.12.2013	51,876	-	51,876	-	-	51,876
21701001	IT Equipment	04.12.2013	981,830	-	981,830	-	-	981,830
21701002	IT Equipment	11.10.2013	84,774	-	84,774	-	-	84,774
					1,264,965	-	-	1,264,895

HOLIDAY CLUB CANARIAS SALES & MARKETING S.L.U.

Rupees

Account	Item	Date Acquired	Acquisition Amount	Grant Deduction	Amount Used	Provision 2011	Provision 2011/2012	Provision 2012/2013
21801001	Vehicles	10.09.2014	1,462,590	-	1,370,932	-	-	1,370,932
21801001	Vehicles	12.09.2014	19,739	-	19,739	-	-	19,739
					1,390,672	-	-	1,390,672
21901008	Other Tangible Fixed Assets	01.12.2013	96,964	-	96,964	-	-	96,964
21901008	Other Tangible Fixed Assets	16.09.2014	4,798	-	4,433	-	-	4,433
21901008	Other Tangible Fixed Assets	16.09.2014	173,150	-	173,150	-	-	173,150
21901008	Other Tangible Fixed Assets	17.09.2014	4,433	-	4,433	-	-	4,433
					279,049	-	-	279,049

Also, at the time of the initial investment relating to the opening of the Angry Birds Park, the creation of jobs occurred, which caused an increase of the total average number of employees. This has resulted in the materialization of the reserve in the creation of jobs, which, as indicated in the Report for the 2013/2014 Financial Period, amounted to 201,892 Euros (13,983,040 Rupees).

During the financial period 2014/2015, the Company has carried out the following investments: using the Reserve on the following assets and on the dates indicated in the following table. This table shows the Financial Period for which the provisions were materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Acquisition Amount	Amount materialised	Provision 2012/2013
21601002	Furniture	28.02.2015	220	220	220
21601002	Furniture	28.02.2015	715	715	715
21601002	Furniture	12.03.2015	298	298	298
21601002	Furniture	19.03.2015	1,060	1,060	1,060
21601002	Furniture	19.03.2015	60	60	60
21601002	Furniture	30.04.2015	2,373	2,373	2,373
21601002	Furniture	30.09.2015	571	571	571
	Furniture		5,297	5,297	5,297
21701001	IT Equipment	31.10.2014	784	784	784
21701001	IT Equipment	31.10.2014	645	645	645
21701001	IT Equipment	30.11.2014	2,311	2,311	2,311
	IT Equipment		3,740	3,740	3,740

Rupees

Account	Item	Acquisition Date	Acquisition Amount	Amount materialised	Provision 2012/2013
21601002	Furniture	28.02.2015	15,237	15,237	15,237
21601002	Furniture	28.02.2015	49,521	49,521	49,521
21601002	Furniture	12.03.2015	20,639	20,639	20,639
21601002	Furniture	19.03.2015	73,416	73,416	73,416
21601002	Furniture	19.03.2015	4,156	4,156	4,156
21601002	Furniture	30.04.2015	164,354	164,354	164,354
21601002	Furniture	30.09.2015	39,547	39,547	39,547
	Furniture		366,870	366,870	366,870
21701001	IT Equipment	31.10.2014	54,300	54,300	54,300
21701001	IT Equipment	31.10.2014	44,673	44,673	44,673
21701001	IT Equipment	30.11.2014	160,060	160,060	160,060
	IT Equipment		259,032	259,032	259,032

Furthermore, on the occasion of the initial investment for the launch of the Angry Birds Park on November 1, 2013, jobs have been created which have determined an increase of the average total number of staff. This has resulted in the realization of the reserve due to the creation of jobs.

In particular, the increase to the average amount of staff pursuant to Article 27.4.C of Law 19/1994, July 6 and Article 10 of the Royal Decree of 1758/2007, was 10,56 employees.

During the financial period 2014/2015, the amount of 24,136 Euros (1,671,659 Rupees) is the average cost of the gross wages and compulsory social contributions of employees connected to the Park. Consequently, in accordance with Article 27.6 of Law 19/1994, the materialization of the reserve due to the increase of the number of employees at the initial investment, is 254,879 Euros (17,652,920 Rupees)

This investment, due to the creation of jobs materializes part of the reserve allocated in the Financial Period 2012/2013.

During the financial period 2015/2016, the Company has carried out the following investments: using the Reserve on the following assets and on the dates indicated in the following table. This table shows the Financial Period for which the provisions were materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Acquisition amount	Amount materialised	Provision 2012/2013
21601002	Furniture	01.10.2015	6,898	6,898	6,898
21601002	Furniture	31.10.2015	320	320	320
	Furniture		7,218	7,218	7,218
21701002	IT Equipment	25.11.2015	749	749	749
21701002	IT Equipment	30.11.2015	460	460	460
	IT Equipment		1,209	1,209	1,209
21508001	Other facilities	29.02.2016	1,260	1,260	1,260
21508001	Other facilities	29.02.2016	355	355	355
	Other facilities		1,615	1,615	1,615
20601001	IT applications	01.03.2016	3,816	3,816	3,816
	IT applications		3,816	3,816	3,816

Rupees

Account	Item	Acquisition Date	Acquisition amount	Amount materialised	Provision 2012/2013
21601002	Furniture	01.10.2015	477,755	477,755	477,755
21601002	Furniture	31.10.2015	22,163	22,163	22,163
	Furniture		499,919	499,919	499,919
21701002	IT Equipment	25.11.2015	51,876	51,876	51,876
21701002	IT Equipment	30.11.2015	31,860	31,860	31,860
	IT Equipment		83,735	83,735	83,735
21508001	Other facilities	29.02.2016	87,268	87,268	87,268
21508001	Other facilities	29.02.2016	24,587	24,587	24,587
	Other facilities		111,855	111,855	111,855
20601001	IT applications	01.03.2016	264,296	264,296	264,296
	IT applications		264,296	264,296	264,296

During the financial period 2016/2017, the Company has carried out the following investments: using the Reserve on the following assets and on the dates indicated in the following table. This table shows the Financial Period for which the provisions were materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Acquisition amount	Amount materialised	Provision 2012/2013
21601002	Furniture	01.06.2016	763	763	763
21601002	Furniture	28.06.2016	640	640	640
21608002	Furniture	01.03.2017	440	440	440
21608002	Furniture	23.03.2017	2,126	2,126	2,126
	Furniture		3,969	3,969	3,969
21701001	IT Equipment	06.02.2017	930	930	930
21701001	IT Equipment	01.03.2017	885	885	885

HOLIDAY CLUB CANARIAS SALES & MARKETING S.L.U.

<u>Euros</u>						
Account	Item	Acquisition Date	Acquisition amount	Amount materialised	Provision 2012/2013	
21701002	IT Equipment	25.05.2016	460	460	460	
		IT Equipment	2,275	2,275	2,275	
21901008	Other Tangible Fixed Assets	30.04.2016	35	35	35	
21901008	Other Tangible Fixed Assets	30.04.2016	37	37	37	
21901008	Other Tangible Fixed Assets	30.04.2016	12	12	12	
21901008	Other Tangible Fixed Assets	30.04.2016	3	3	3	
21901008	Other Tangible Fixed Assets	30.04.2016	4,749	4,749	4,749	
21901008	Other Tangible Fixed Assets	01.05.2016	239	239	239	
21901008	Other Tangible Fixed Assets	01.12.2016	48,551	48,551	48,551	
21901008	Other Tangible Fixed Assets	22.02.2017	11,921	11,921	11,921	
21901008	Other Tangible Fixed Assets	22.02.2017	86	86	86	
21901008	Other Tangible Fixed Assets	22.02.2017	66	66	66	
21901008	Other Tangible Fixed Assets	22.02.2017	113	113	113	
21901008	Other Tangible Fixed Assets	01.03.2017	3,589	3,589	3,589	
21901008	Other Tangible Fixed Assets	06.03.2017	6,603	6,603	6,603	
21901008	Other Tangible Fixed Assets	06.03.2017	172	172	172	
21901008	Other Tangible Fixed Assets	08.03.2017	1,340	1,340	1,340	
21901008	Other Tangible Fixed Assets	16.03.2017	1,060	1,060	1,060	
21901008	Other Tangible Fixed Assets	23.03.2017	34,200	34,200	34,200	
		Other Tangible Fixed Assets	112,777	112,777	112,777	
21100001	Constructions	29.03.2017	828	828	828	
21100001	Constructions	29.03.2017	3,700	3,700	3,700	
21100001	Constructions	31.03.2017	22,253	22,253	22,253	
		Constructions	26,781	26,781	26,781	
20601001	IT applications	01.05.2016	1,716	1,716	1,716	
20601001	IT applications	01.03.2017	3,537	3,537	3,537	
20601001	IT applications	29.03.2017	1,817	1,817	1,817	
		IT applications	7,070	7,070	7,070	
21508001	Other facilities	29.03.2017	6,202	6,202	6,202	
		Other facilities	6,202	6,202	6,202	

<u>Rupees</u>						
Account	Item	Acquisition Date	Acquisition amount	Amount materialised	Provision 2012/2013	
21601002	Furniture	01.06.2016	52,845	52,845	52,845	
21601002	Furniture	28.06.2016	44,326	44,326	44,326	
21608002	Furniture	01.03.2017	30,474	30,474	30,474	
21608002	Furniture	23.03.2017	147,247	147,247	147,247	
		Furniture	274,893	274,893	274,893	
21701001	IT Equipment	06.02.2017	64,412	64,412	64,412	
21701001	IT Equipment	01.03.2017	61,295	61,295	61,295	
21701002	IT Equipment	25.05.2016	31,860	31,860	31,860	
		IT Equipment	157,567	157,567	157,567	
21901008	Other Tangible Fixed Assets	30.04.2016	2,424	2,424	2,424	
21901008	Other Tangible Fixed Assets	30.04.2016	2,563	2,563	2,563	
21901008	Other Tangible Fixed Assets	30.04.2016	831	831	831	

Rupees

Account	Item	Acquisition Date	Acquisition amount	Amount materialised	Provision 2012/2013
21901008	Other Tangible Fixed Assets	30.04.2016	208	208	208
21901008	Other Tangible Fixed Assets	30.04.2016	328,916	328,916	328,916
21901008	Other Tangible Fixed Assets	01.05.2016	16,553	16,553	16,553
21901008	Other Tangible Fixed Assets	01.12.2016	3,362,642	3,362,642	3,362,642
21901008	Other Tangible Fixed Assets	22.02.2017	825,648	825,648	825,648
21901008	Other Tangible Fixed Assets	22.02.2017	5,956	5,956	5,956
21901008	Other Tangible Fixed Assets	22.02.2017	4,571	4,571	4,571
21901008	Other Tangible Fixed Assets	22.02.2017	7,826	7,826	7,826
21901008	Other Tangible Fixed Assets	01.03.2017	248,574	248,574	248,574
21901008	Other Tangible Fixed Assets	06.03.2017	457,324	457,324	457,324
21901008	Other Tangible Fixed Assets	06.03.2017	11,913	11,913	11,913
21901008	Other Tangible Fixed Assets	08.03.2017	92,808	92,808	92,808
21901008	Other Tangible Fixed Assets	16.03.2017	73,416	73,416	73,416
21901008	Other Tangible Fixed Assets	23.03.2017	2,368,692	2,368,692	2,368,692
	Other Tangible Fixed Assets		7,810,866	7,810,866	7,810,866
21100001	Constructions	29.03.2017	57,347	57,347	57,347
21100001	Constructions	29.03.2017	256,262	256,262	256,262
21100001	Constructions	31.03.2017	1,541,243	1,541,243	1,541,243
	Constructions		1,854,852	1,854,852	1,854,852
20601001	IT applications	01.05.2016	118,850	118,850	118,850
20601001	IT applications	01.03.2017	244,973	244,973	244,973
20601001	IT applications	29.03.2017	125,845	125,845	125,845
	IT applications		489,668	489,668	489,668
21508001	Other facilities	29.03.2017	429,551	429,551	429,551
	Other facilities		429,551	429,551	429,551

On March 31, 2017 the partners agreed to dispose part of the RIC 2012/13 special reserve, so that they agreed to transfer part of the special reserve to voluntary reserves, specifically for the amount pending to materialize at this date, the amount of 1,229,049 Euros (85,123,934 Rupees). Consequently, one of the requirements established in the article 27 of the Law 19/1994 has been violated, integrating, in accordance with article 27.6 of Law 19/1994, this amount into the tax base of the corporate tax corresponding to 2016/17 period.

As a result of this breach, moratory interests have been paid to the administration for the amount of 53,975 Euros (3,738,309 Rupees), of which 46,096 were accrued as at 31 March 2017 (see note 9.3).

Finally, it must be reported that the Company has not carried out investments prior the provision and it has not been benefited from any other tax benefit accrued at the time of the Investments made as a result of the realization of the RIC.

13.8. Financial Periods Open to the Possibility of a Tax Inspection.

As set forth in current legislation, taxes cannot be considered definitively settled until the tax returns presented have been inspected by the tax authorities or the four-year statute of limitations has run out.

At the closing date, the company is also open to inspection of all the taxes that are applicable to it, corresponding to the last four years.

The Board of Directors of the Company considered that liquidations of the mentioned taxes have been properly settled, so, even though discrepancies could arise in the interpretation or the existing tax regulations by the handling of tax granted to the operations, the eventual resulting liabilities in case of materialisation would not significantly affect the annual accounts.

14. INCOMES AND EXPENSES

14.1. Breakdown of the following items in the Profit and Loss Account:

4.a) Consumption of goods: corresponding to the cost of the acquired weeks and with purchases of merchandise and merchandising for the Theme Park. The amounts are as follows:

Euros	2016/17	2015/16
Cost of weeks acquired	15,000	-
Merchandise purchased Theme Park	173,091	85,180
Change in Inventory merchandise Theme park	(5,080)	26,800
Totals	183,011	111,980

Rupees	2016/17	2015/16
Cost of weeks acquired	1,038,877	-
Merchandise purchased Theme Park	11,988,297	5,899,545
Change in Inventory merchandise Theme park	(351,855)	1,856,168
Totals	12,675,319	7,755,713

The purchase of acquired weeks has been carried out in Spanish territory and the theme park merchandise has been purchased from members countries of the European Union.

6.b) Social security: corresponds entirely with the business contribution whose amount totalled 596,897 euros (41,341,086 Rupees) and 351,418 Euros (23,646,611 Rupees) for the Financial Periods 2016/17 and 2015/16, respectively.

7.a) External Services:

Euros	2016/17	2015/16
Leases and Charges	461,559	259,172
Repair and Maintenance	2,297,291	1,448,362
Independent Professional Services	1,220,202	939,466
Transport	211,798	110,915

Euros	2016/17	2015/16
Insurance	24,094	13,137
Bank Services and Similar	26,545	18,550
Publicity, Advertising and Public Relations	484,723	377,890
Supplies	157,612	95,595
Other Services	191,822	82,413
Totals	5,075,645	3,345,499

Rupees	2016/17	2015/16
Leases and Charges	31,967,562	17,950,253
Repair and Maintenance	159,110,389	100,313,524
Independent Professional Services	84,511,166	65,067,415
Transport	14,669,136	7,681,958
Insurance	1,668,764	909,869
Bank Services and Similar	1,838,478	1,284,773
Publicity, Advertising and Public Relations	33,571,902	26,172,661
Supplies	10,916,188	6,620,910
Other Services	13,285,619	5,707,924
Totals	351,539,203	231,709,287

7.c) Losses on, impairment of and change in trade provisions:

Euros	2016/17	2015/16
Losses from bad debts	1,098,646	486,718
Trade Provision	176,860	322,523
Excess Trade Provision	(995,725)	(486,718)
Provision packs	(12,860)	-
Provision Sales-persons' commissions	(27,529)	28,016
Other provisions	42,173	60,774
Totals	281,566	411,313

Rupees	2016/17	2015/16
Losses from bad debts	76,092,234	33,710,058
Trade Provision	12,249,319	22,337,943
Excess Trade Provision	(68,963,880)	(33,710,089)
Provision packs	(890,684)	-
Provision Sales-persons' commissions	(1,906,659)	1,940,388
Other provisions	2,920,901	4,209,207
Totals	19,501,233	28,487,507

14.2. "Other results": these correspond to the net of Profit & Loss that stem from events that are not a part of the Company's typical activities and which are not expected to occur frequently. In the financial year 2016/17 they correspond, mainly, to the long term provision the amount of 26,029 Euros (1,802,769 Rupees) (See note 15.1)

15. PROVISIONS AND CONTINGENCIES

Provisions

15.1. The long-term provision for the amount of 26,029 Euros (1,802,769 Rupees) corresponds to a judicial process in favor of a client for claims for a week sold in previous periods.

15.2. The short-term provision corresponds to the accrual of commissions pending payment to sales staff, the cost of the accommodation of packs and provisions for the cancellation of sales. The balance at the close of the financial year 2016/17 and 2015/16 amounts 631,833 euros (43,760,754 Rupees) and 645,660 Euros (44,718,412 Rupees), respectively.

Contingencies

15.3. There are guarantees provided by one of the group Companies, to respond to a loan granted by a financial institution, amounting to 518,142 Euros (35,886,515 Rupees) (see Note 19.3).

15.4. There are several customer complaints for weeks sales contracts and a maximum risk of 157,243 Euros (8,828,087 Rupees) has been quantified if the judgments are unfavorable to the entity.

16. ENVIRONMENTAL INFORMATION

Given the activity that the Company carries out, there are no responsibilities, expenses, assets or contingencies of any environmental nature that could be of any significance with regard to equity, the financial position and its results. Therefore, no specific break-downs are included in this report.

17. GRANTS, DONATIONS AND REQUESTS

17.1. On June 24, 2014 a grant was given by the Ministry of Finance and other Public Administrations for the investment Project in the Angry Birds Theme Park, for the amount of 870,213 Euros (60,270,952 Rupees).

17.2. Variations in the capital grant during the financial years 2016/17 and 2015/16 are as follows:

Euros	Balance 31.03.16	Acquisitions	Transfer to results	Tax rate change	Balance 31.03.17
Capital Grant	648,766	-	(91,633)	-	557,132
Tax Effect	(162,191)	-	22,908	-	(139,283)
Totals	486,574	-	(68,725)	-	417,848

	Balance 30.09.15	Acquisitions	Transfer to results	Tax rate change	Balance 31.03.16
Capital Grant	694,583	-	(45,817)	-	648,766
Tax Effect	(208,375)	-	13,363	32,820	(162,191)
Totals	486,207	-	(32,454)	32,820	486,574

Rupees	Balance 30.03.16	Acquisitions	Transfer to results	Tax rate change	Balance 31.03.17
Capital Grant	44,933,505	-	(6,346,532)	-	38,586,973
Tax Effect	(11,233,371)	-	1,586,633	-	(9,646,738)
Totals	33,700,135	-	(4,759,899)	-	28,940,236

	Balance 30.09.15	Acquisitions	Transfer to results	Tax rate change	Balance 31.03.16
Capital Grant	48,106,791	-	(3,173,285)	-	44,933,505
Tax Effect	(14,432,075)	-	925,521	2,273,113	(11,233,371)
Totals	33,674,716	-	(2,247,764)	2,273,113	33,700,135

18. EVENTS AFTER THE CLOSING OF THE YEAR

No events have occurred after closing that could be considered significant and affect the financial period's accounts.

19. TRANSACTIONS BETWEEN RELATED PARTIES

19.1. Regarding the Managing Board and Key Company Staff.

Managers and the key personnel of the company with whom related-party transactions have been carried out are the following:

- Mr. Calvin Stuart Lucock, Administrator and Managing Director.
- Ms. Unn Tove Saetran, Sales Manager, until May 2016.
- Ms. Maria del Carmen Meinster, Publicity Services Manager.

Remuneration paid to managers and key personnel of the company, during the financial period 2016/17, in their status as employees of the company, amounts to 165,971 Euros (11,495,151 Rupees) and in the financial period 2015/16, 102,715 Euros (7,114,041 Rupees)

On the Balance Sheet there is a current account with partners and administrators at March 31, 2017, that amounts 3,560 euros (246,566 Rupees) and in the financial period 2015/2016, 3,264 euros (226,065 Rupees).

19.2. Information required by Article 229 Of the Corporate Enterprises Act.

According to the Article 229 of the Corporate Enterprises Act, we hereby inform that the members of the Board of Directors do not have shares or hold positions or perform functions in companies whose corporate purpose is the same, similar or complementary to the Company's.

However, the members of the Board of Directors hold various shares in companies related to the Company and hold management positions and carry out functions related to the management, which have not been subject to inclusion in this Note of the Report, as this does not pose any conflict with regard to their duties of diligence and loyalty or the existence of potential conflicts of interest in the context of Law 26/2004 17 July, that amended Law 24/1988, of July 28, in which the market values and the text revised from the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010 of 2 July.

Also during the Financial Period, the members of the Board of Directors have not carried out transactions outside the normal course of business beyond the ordinary traffic or in conditions other than those of the market with the company or group companies. The only transactions with administrators are those outlined in Note 19.1.

19.3. Transactions and Balances with Group companies:

The transactions carried out with Group companies during the financial periods 2016/17 and 2015/16, are the following:

Euros	2016/17		
	Financial Expenses	Services received	Services rendered
Company			
Holiday Club Canarias Resort Management, S.L.U.	-	2,490,190	170,264
Holiday Club Resort OY	-	312,866	333,890
Holiday Club Sweden AB	317,533	15,257	7,606
Totals	317,533	2,818,312	511,760

Euros	2015/16		
	Financial Expenditures	Services received	Services rendered
Company			
Holiday Club Canarias Resort Management, S.L.U.	-	2,144,102	87,563
Holiday Club Resort OY	-	227,256	235,591
Holiday Club Sweden AB	172,304	2,169	-
Totals	172,304	2,373,528	323,154

Rupees	2016/17		
	Financial Expenses	Services received	Services rendered
Company			
Holiday Club Canarias Resort Management, S.L.U.	-	172,470,535	11,792,500
Holiday Club Resort OY	-	21,669,076	23,125,241
Holiday Club Sweden AB	21,992,336	1,056,701	526,792
Totals	21,992,336	195,196,311	35,444,532

Rupees	2015/16		
	Financial Expenditures	Services received	Services rendered
Company			
Holiday Club Canarias Resort Management, S.L.U.	-	148,500,505	6,064,613
Holiday Club Resort OY	-	15,739,751	16,317,033
Holiday Club Sweden AB	11,933,806	150,225	-
Totals	11,933,806	164,390,480	22,381,646

The transactions between the Group companies were performed under normal market conditions.

Balances outstanding with the Group Companies in the financial periods 2016/17 and 2015/16, both short-term and long-term, at the close of the Financial Periods are:

Euros	2016/2017		2015/2016	
	Debit Balances	Creditor Balances	Debit Balances	Creditor Balances
Company				
Holiday Club Canarias Resort Management, S.L.U.	-	1,276,397	-	448,950
Holiday Club Canarias Investment, S.L.U.	757,250	-	816,777	-
Holiday Club Resort OY	16,107	-	18,263	-
Holiday Club Sweden AB	-	13,267,022	-	13,299,365
Totals	773,357	14,543,419	835,040	13,748,315

Rupees	2016/2017		2015/2016	
	Debit Balances	Creditor Balances	Debit Balances	Creditor Balances
Company				
Holiday Club Canarias Resort Management, S.L.U.	-	88,403,240	-	31,094,309
Holiday Club Canarias Investment, S.L.U.	52,447,136	-	56,569,975	-
Holiday Club Resort OY	1,115,590	-	1,264,905	-
Holiday Club Sweden AB	-	918,873,949	-	921,114,048
Totals	53,562,725	1,007,277,188	57,834,880	952,208,356

The Company is backed by the Group Company Holiday Club Canarias Resort Management, SLU, to respond to a loan granted by a financial institution, amounting to 518,142 Euros (35,886,515 Rupees) (see Note 15.3).

20. OTHER INFORMATION

20.1. Companies subject to the same unit of decision

The Company shows the largest assets in the group of companies subject to the same decision-making units, headquartered in Spain. The companies are the following ones:

- Holiday Club Canarias Investment, S.L.U.: Parent Company of the Group
- Holiday Club Canarias Sales & Marketing, S.L.U.: Subsidiary and with the highest assets.
- Holiday Club Canarias Resort Management, S.L.U.: Subsidiary.

Aggregate amounts of said companies are as follows:

HOLIDAY CLUB CANARIAS SALES & MARKETING S.L.U.

Euros	2016/17	2015/16
ASSETS		
Non-current Assets	9,402,096	10,192,461
Current Assets	17,566,237	18,167,717
Total	26,968,333	28,360,178
EQUITY AND LIABILITIES		
Equity	4,809,563	6,607,897
Non-current Liabilities	12,658,858	12,687,560
Current Liabilities	9,499,912	9,064,721
Total	26,968,333	28,360,178
PROFIT & LOSS		
Turnover	13,109,685	7,708,321
Results (Profit/Loss)	1,736,642	90,300

Rupees	2016/17	2015/16
ASSETS		
Non-current Assets	651,189,143	705,929,849
Current Assets	1,216,637,582	1,258,296,079
Total	1,867,826,726	1,964,225,928
EQUITY AND LIABILITIES		
Equity	333,110,329	457,662,946
Non-current Liabilities	876,752,506	878,740,406
Current Liabilities	657,963,891	627,822,576
Total	1,867,826,726	1,964,225,928
PROFIT & LOSS		
Turnover	907,976,766	533,878,312
Results (Profit/Loss)	120,279,802	6,254,178

20.2. Number of Employees

The average number of persons employed by the Company during the financial periods 2016/17 and 2015/16, distributed by their professional categories, has been the following:

	Persons	
	2016/17	2015/16
Executives and Administrative Staff	19.44	22.72
Sales Managers	-	-
Sales and Collections Staff	36.56	44.46
Others	25.31	23.09
Totals	81.31	90.27

The distribution by gender at the end of the financial periods 2016/17 and 2015/16 is the following:

	2016/17		2015/16	
	Men	Women	Men	Women
Executives and Administrative Staff	7	10	11	12
Sales Managers	-	-	-	-
Sales and Collections Staff	27	15	31	18
Others	16	15	17	11
Totals	50	40	59	41

The average number of disabled people (more than 33% of disability) employed by the Company during the financial periods 2016/17, distributed by their professional categories, has been the following:

	2016/17
Executives and Administrative Staff.	-
Sales Managers.	-
Sales and Collections Staff.	-
Others	1
Totals	1

20.3. Auditors' Fees

The fees for the audit of annual accounts amount to 11,000 Euros (761,860 Rupees) and 10,590 Euros (733,463 Rupees) for the Financial Periods 2016/17 and 2015/16 respectively.

21. SEGMENT REPORTING

The Company's business has been carried out entirely within the geographical area of the Canary Islands.

Euros	2016/17	2015/16
Sale of weeks and packs	6,160,091	4,313,469
Angry Birds Theme Park income	1,133,045	567,279
Other income	520,431	324,084
Totals	7,813,566	5,204,832

Rupees	2016/17	2015/16
Sale of weeks and packs	426,647,878	298,750,858
Angry Birds Theme Park income	78,474,668	39,289,744
Other income	36,045,044	22,446,058
Totals	541,167,590	360,486,659

22. INFORMATION ABOUT DEFERRAL PAYMENTS MADE TO SUPPLIERS. THIRD ADDITIONAL REGULATION TO THE "DUTY OF INFORMATION OF LAW 15/2010 OF 5 JULY.

According to the Third Additional Regulation of Law 15/2010 of 5 July, the Company informs the following information:

	2016/17	2015/16
	Days	Days
Payment Ratio	45	45
Outstanding payment Ratio	31	30
Average period for payment to suppliers	42	43
	Euro/Rupees	Euro/Rupees
Total payments in the period	3,018,625/209,069,968	1,796,437/134,678,881
Total outstanding payments	235,809/16,332,131	194,128/14,553,776

In Mogán, on April 10, 2017

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from April 1, 2016 and ended on March 31, 2017.

Operations/State of the Company's Affairs

The Company is primarily engaged in the management of five resorts and the lease of commercial premises at those resorts.

The Company's Resort property located at Mogán, Gran Canaria, Spain, was fully operational.

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

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements. During the period under review, the Company has earned revenue of Euro 5,296,119 (INR 366,809,176) and made profit Euro 320,068 (INR 22,167,878).

Dividends

No Dividend was proposed for the financial period under review.

Directors

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

- 1) Anne Oravainen
- 2) Holiday Club Resorts Oy, represented by Calvin Stuart Lucock

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

Events Subsequent to Balance Sheet Date

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

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is wholly owned subsidiary of Holiday Club Canarias Investment S.L.U. and in turn subsidiary Holiday Club Sweden AB and in turn subsidiary of Holiday Club Resorts Oy (HCR) and in turn subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

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

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2017.

Acknowledgements

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

Signed on behalf of the Board of Directors
of Holiday Club Canarias Resort Management S.L.U.

Anne Oravainen
Director

Holiday Club Resorts Oy
Director represented by
Calvin Stuart Lucock

Place : Gran Canaria, Mogán
Dated : April 12, 2017

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Translation of a report originally in Spanish based on our work performed in accordance with the audit regulations in force in Spain and prepared in accordance with the regulatory financial reporting framework applicable to the company in Spain (see Note 2). In the event of a discrepancy, the Spanish language version prevails.

To the shareholder of HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, SLU:

Report on the Financial Statements

We have audited the accompanying financial statements of HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, SLU ("the Company"), which comprise the balance sheet as at 31 March 2017, and the income statement, statement of cash flows and notes to the financial statements for the year then ended.

Director's Responsibility for the Financial Statements

The director is responsible for preparing the accompanying financial statements so that they present fairly the equity, financial position and results of HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, SLU in accordance with Financial Reporting Standards applicable to the Company in Spain, identified in Note 2.1 to the accompanying financial statements, and for such internal control as the director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material

misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation by the Company's director of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the equity and financial position of HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, SLU as at 31 March 2017, and its results and its cash flows for the year then ended in accordance with Financial Reporting Standards as applicable to the Company in Spain.

Report on Other Legal and Regulatory Requirements

The accompanying director's report for 2016-2017 contains the explanations which the Company's directors consider appropriate about the Company's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2016-2017. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, SLU.

Javier ALVAREZ CABRERA (n° ROAC: 16.092)
RSM SPAIN AUDITORES, SLP (n° ROAC: S2158)

Place: In Las Palmas de Gran Canaria
Date: April 12, 2017

BALANCE AT MARCH 31, 2017

ASSETS	Notes	(Euros)	(Rupees)	(Euros)	(Rupees)
		2016/17	2016/17	2015/16	2015/16
A) NON-CURRENT ASSETS					
I. Intangible Assets	5	1,530,000	105,967,797	1,700,000	117,742,000
4. Goodwill		1,530,000	105,967,797	1,700,000	117,742,000
II. Fixed Assets	6	2,581,440	178,790,550	2,605,522	180,458,477
1. Property and Buildings		2,301,406	159,395,387	2,346,015	162,484,984
2. Technical Facilities and other Fixed Assets		269,004	18,631,225	248,478	17,209,555
3. Advances and fixed assets in progress		11,030	763,938	11,030	763,938
III. Real Estate Investments	7	759,653	52,613,578	774,408	53,635,531
2. Construction/Buildings		759,653	52,613,578	774,408	53,635,531
VI. Deferred Tax Assets	12	32,317	2,238,275	49,392	3,420,911
TOTAL A		4,903,410	339,610,200	5,129,323	355,256,919
B) LIQUID ASSETS					
II. Inventories		0	0	4,343	300,784
6. Advance payments to suppliers		0	0	4,343	300,784
III. Commercial debtors and other accounts receivables		874,922	60,597,087	1,842,781	127,631,035
1. Trade receivables		839,375	58,135,113	1,803,711	124,925,018
a) Trade receivables/long term	9	64,264	4,450,904	139,947	9,692,738
b) Trade receivables/short term	9	775,111	53,684,209	1,663,764	115,232,281
3. Other debtors	9	31,347	2,171,059	39,053	2,704,811
4. Personnel	9	4,183	289,710	0	0
6. Other receivables from Public Administrations		17	1,205	17	1,205
IV. Short-term Investments in affiliated group and associated companies	9-18	1,277,210	88,459,530	513,745	35,582,004
2. Loans to companies		1,277,210	88,459,530	513,745	35,582,004
V. Short-term financial investments	9	480	33,245	0	0
5. Other financial assets		480	33,245	0	0
VI. Short term accruals		63,522	4,399,557	26,321	1,822,988
VII. Cash and other equivalent liquid assets	9	1,479,034	102,437,897	1,150,278	79,668,257
1. Liquid assets		1,479,034	102,437,897	1,150,278	79,668,257
TOTAL B		3,695,168	255,927,316	3,537,468	245,005,067
TOTAL ASSETS (A + B)		8,598,578	595,537,516	8,666,792	600,261,986

BALANCE AT MARCH 31, 2017

NET WORTH AND LIABILITIES		Notes	(Euros) 2016/17	(Rupees) 2016/17	(Euros) 2015/16	(Rupees) 2015/16
A) TOTAL EQUITY						
A-1) EQUITY			3,073,754	212,888,233	2,753,687	190,720,355
I. Capital		11	3,100	214,706	3,100	214,706
1. Shared Capital			3,100	214,706	3,100	214,706
III. Reserves			2,986,721	206,860,314	2,713,123	187,910,925
1. Legal and statutory			620	42,941	620	42,941
2. Other reserves		11	2,986,101	206,817,373	2,712,503	187,867,983
V. Profit & Loss from previous Periods			(236,134)	(16,354,665)	(236,134)	(16,354,665)
2. (Losses from previous Periods)			(236,134)	(16,354,665)	(236,134)	(16,354,665)
VII. Profits for the Period		3	320,068	22,167,878	273,598	18,949,390
TOTAL A			3,073,754	212,888,233	2,753,687	190,720,355
B) NON CURRENT LIABILITIES						
II. Long-term Debts		10	64,743	4,484,079	302,332	20,939,525
2. Debts to Loan Institutions			42,810	2,965,054	296,146	20,511,085
3. Creditors due to financial leasing		8	19,782	1,370,119	0	0
5. Other financial liabilities			2,150	148,906	6,186	428,440
V. Long-term accruals			10,970	759,759	0	0
TOTAL B			75,712	5,243,838	302,332	20,939,525
C) CURRENT LIABILITIES						
II. Short-term provisions		15	68,443	4,740,361	121,064	8,384,871
III. Short-term debts		10	288,410	19,975,257	281,900	19,524,428
2. Debts to Loan Institutions			253,154	17,533,455	249,312	17,267,383
3. Creditors due to financial leasing		8	16,256	1,125,861	0	0
5. Other financial liabilities			19,000	1,315,940	32,588	2,257,045
IV. Short-term Debts with Group and Associated Companies		10-18	808,466	55,994,322	749,582	51,916,040
V. Trade Creditors and other Accounts payable			703,017	48,690,932	832,617	57,667,084
3. Sundry Creditors		10-21	261,920	18,140,563	368,833	25,545,349
4. Staff (salaries pending payment)			0	0	13,866	960,392
6. Other debts with Public Administrations			441,097	30,550,369	449,918	31,161,343
VI. Short-term accruals			3,580,776	248,004,573	3,625,609	251,109,683
TOTAL C			5,449,111	377,405,444	5,610,773	388,602,106
TOTAL NET WORTH AND LIABILITIES (A + B + C)			8,598,578	595,537,516	8,666,792	600,261,986

PROFIT AND LOSS ACCOUNTS AT MARCH 31, 2017

ITEMS	Notes	(Euros)	(Rupees)	(Euros)	(Rupees)
		2016/17	2016/17	2015/16	2015/16
A) CONTINUING OPERATIONS					
1. Turnover	20	5,296,119	366,809,176	2,503,489	173,391,629
b) Services rendered		5,296,119	366,809,176	2,503,489	173,391,629
4. Supplies	14	(98,622)	(6,830,530)	(52,729)	(3,652,011)
a) Consumption of merchandise		(98,622)	(6,830,530)	(52,729)	(3,652,011)
5. Other operations income	7	104,836	7,260,946	66,757	4,623,592
a) Accessory income and other current operations		104,836	7,260,946	66,757	4,623,592
6. Personnel expenses		(2,301,193)	(159,380,647)	(1,089,449)	(75,455,244)
a) Wages, salaries and similar		(1,797,170)	(124,471,961)	(870,036)	(60,258,666)
b) Social Security contributions	14	(504,024)	(34,908,686)	(219,413)	(15,196,578)
7. Other operating expenses		(2,243,289)	(155,370,180)	(994,663)	(68,890,338)
a) Outsourced services	14	(1,610,122)	(111,517,020)	(805,625)	(55,797,554)
b) Taxes		(163,547)	(11,327,274)	(80,153)	(5,551,397)
c) Losses, impairment and variation of supplies from trade op.	14	(469,135)	(32,492,323)	(109,124)	(7,557,933)
d) Other current operating expenses		(485)	(33,564)	239	16,546
8. Depreciation of fixed assets	5-6-7	(326,671)	(22,625,219)	(70,598)	(4,889,647)
13. Other incomes and expenses	14	(11,153)	(772,449)	(6,097)	(422,300)
A.1.) Operating Income (Profit)		420,027	29,091,097	356,709	24,705,681
14. Financial Income	9	48,755	3,376,787	28,323	1,961,618
b) Trade securities and other equity instruments		48,755	3,376,787	28,323	1,961,618
b 2) Third Parties		48,755	3,376,787	28,323	1,961,618
15. Financial expenses	10	(8,975)	(621,581)	(5,198)	(360,047)
b) Debts with Third Parties		(8,975)	(621,581)	(5,198)	(360,047)
17. Exchange differences	13	(271)	(18,760)	585	40,529
A.2) FINANCIAL PROFIT & LOSS (PROFIT)		39,510	2,736,445	23,709	1,642,100
A.3) PROFIT BEFORE TAXES (PROFIT)		459,537	31,827,542	380,418	26,347,780
19. Corporate Income Tax	12	(139,470)	(9,659,664)	(106,821)	(7,398,391)
A.5) PROFIT & LOSS IN THE PERIOD (PROFIT)		320,068	22,167,878	273,598	18,949,390

STATEMENT OF CHANGES IN EQUITY AT MARCH 31, 2017

ITEMS	Notes	(Euros)	(Rupees)	(Euros)	(Rupees)
		2016/17	2016/17	2015/16	2015/16
A) STATEMENT OF RECOGNISED PROFIT AND LOSS					
A) PROFIT AND LOSS ACCOUNT	3	320,068	22,167,878	273,598	18,949,390
TOTAL OF RECOGNISED PROFIT AND LOSS (A)		320,068	22,167,878	273,598	18,949,390

STATEMENT OF CHANGES IN EQUITY AT MARCH 31, 2017 (euros)

ITEM	Shared Capital	Reserves	Previous Year's Profit & Loss	Current Year's Profit & Loss	TOTAL
B) COMPLETE STATEMENT OF CHANGES TO EQUITY					
A. FINAL BALANCE YEAR 2014/15	3,100	2,174,246	(236,134)	538,878	2,480,090
B. ADJUSTED BALANCE BEGINNING 2015/16	3,100	2,174,246	(236,134)	538,878	2,480,090
I. Total recognised Profit & Loss	0	0	0	273,598	273,598
III. Other variations to Equity	0	538,878	0	(538,878)	0
C. FINAL BALANCE 2015/16	3,100	2,713,123	(236,134)	273,598	2,753,687
D. ADJUSTED BALANCE, BEGINNING 2016/17	3,100	2,713,123	(236,134)	273,598	2,753,687
I. Total recognised incomes and expenses	0	0	0	320,068	320,068
III. Other changes to Equity	0	273,598	0	(273,598)	0
E. FINAL BALANCE 2016/17	3,100	2,986,721	(236,134)	320,068	3,073,754

STATEMENT OF CHANGES IN EQUITY AT MARCH 31, 2017 (Rupees)

ITEM	Shared Capital	Reserves	Previous Year's Profit & Loss	Current Year's Profit & Loss	TOTAL
B) COMPLETE STATEMENT OF CHANGES TO EQUITY					
A. FINAL BALANCE YEAR 2014/15	214,706	150,588,278	(16,354,642)	37,322,690	171,771,032
B. ADJUSTED BALANCE BEGINNING 2015/16	214,706	150,588,278	(16,354,642)	37,322,690	171,771,032
I. Total recognised Profit & Loss	0	0	0	18,949,397	18,949,397
III. Other variations to Equity	0	37,322,690	0	(37,322,690)	0
C. FINAL BALANCE 2015/16	214,706	187,910,925	(16,354,665)	18,949,390	190,720,355
D. ADJUSTED BALANCE, BEGINNING 2016/17	214,706	187,910,925	(16,354,665)	18,949,390	190,720,355
I. Total recognised incomes and expenses	0	0	0	22,167,878	22,167,878
III. Other changes to Equity	0	18,949,390	0	(18,949,390)	0
E. FINAL BALANCE 2016/17	214,706	206,860,314	(16,354,665)	22,167,878	212,888,233

CASH FLOW STATEMENT AT MARCH 31, 2017

ITEMS	Notes	(Euros)	(Rupees)	(Euros)	(Rupees)
		2016/17	2016/17	2015/16	2015/16
A) CASH FLOW FROM OPERATING ACTIVITIES					
1. PROFIT & LOSS BEFORE TAXES		459,537	31,827,542	380,418	26,347,780
2. ADJUSTMENTS TO PROFIT & LOSS		234,269	16,225,503	76,852	5,322,700
a) Depreciation of Fixed Assets	5-6-7	326,671	22,625,219	70,598	4,889,617
c) Change to provisions	15	(52,621)	(3,644,510)	29,378	2,034,720
g) Financial Incomes	9	(48,755)	(3,376,787)	(28,323)	(1,961,651)
h) Financial Expenses	10	8,975	621,581	5,198	360,013
3. CHANGES IN WORKING CAPITAL		771,537	53,436,659	2,288,006	158,467,226
a) Inventories		4,343	300,784	5,757	398,730
b) Trade and other accounts receivable		967,859	67,033,948	417,069	28,886,199
c) Other current assets		(37,201)	(2,576,570)	386	26,734
d) Creditors and other accounts payable		(129,601)	(8,976,151)	(572,667)	(39,662,916)
e) Other current liabilities		(33,863)	(2,345,352)	2,437,460	168,818,480
4. OTHER CASH FLOW FROM OPERATING ACTIVITIES		39,781	2,755,206	23,124	1,601,638
a) Interest payments	9	(8,975)	(621,581)	(5,198)	(360,013)
c) Interest receivable	10	48,755	3,376,787	28,323	1,961,651
5. CASH FLOW ON OPERATING ACTIVITIES		1,505,124	104,244,910	2,768,400	191,739,345
B) CASH FLOW FROM INVESTMENT ACTIVITIES					
6. PAYMENTS FOR INVESTMENTS		(881,777)	(61,071,849)	(516,495)	(35,772,444)
a) Group and Associated Companies		(763,464)	(52,877,526)	(426,956)	(29,570,973)
c) Fixed Assets		(117,832)	(8,161,078)	(89,539)	(6,201,471)
e) Other financial assets		(480)	(33,245)	0	0
8. CASH FLOWS FROM INVESTMENT ACTIVITIES		(881,777)	(61,071,849)	(516,495)	(35,772,444)
C) CASH FLOWS FROM FINANCING ACTIVITIES					
10. RECEIVABLES AND PAYABLES FOR FINANCIAL LIABILITIES		(294,591)	(20,403,364)	(1,336,428)	(92,561,102)
a) Issue		50,393	3,490,209	2,139	148,117
2. Amounts owed to credit institutions		50,393	3,490,209	0	0
4. Other debts		0	0	2,139	148,117
b) Repayment and amortization		(344,984)	(23,893,573)	(1,338,567)	(92,709,220)
2. Debts with credit institutions		(263,849)	(18,274,188)	(123,056)	(8,522,859)
3. Debts with Group and Associated Companies		(63,511)	(4,398,747)	(1,215,512)	(84,186,361)
4. Other debts		(17,624)	(1,220,638)	0	0
12. CASH FLOW FROM FINANCING ACTIVITIES		(294,592)	(20,403,421)	(1,336,428)	(92,561,033)
E) NET INCREASE IN CASH OR CASH EQUIVALENTS		328,756	22,769,640	915,476	63,405,868
Cash or cash equivalents at the beginning of the year	9	1,150,278	79,668,257	234,802	16,262,387
Cash or equivalents at the end of the year	9	1,479,034	102,437,897	1,150,278	79,668,254

ANNUAL REPORT CORRESPONDING TO THE FINANCIAL PERIOD ENDING MARCH 31, 2017

1. THE COMPANY'S BUSINESS ACTIVITY

- 1.1. HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, S.L.U. was founded as a limited corporation on December 9, 2010, before the Notary Public of the Guild of the Canary Islands, whose office is located in Maspalomas, Mr. Valentín Concejo Arranz, under his Protocol number 1525. On March, 3, 2011, the Company acquired its current condition as a Sole Proprietor Limited Liability Company.
- 1.2. On March, 3, 2011, the Company acquired its current condition as a Sole Proprietor Limited Liability Company and on July 22nd 2011 the financial year, between April 1st until March 31st of the following year, has been fixed according to the Group that belongs to, explained in the following note. However, during this financial year has been a change of financial year as indicated in the note 2.3 of this document.
- 1.3. Its main corporate mission comprises the acquisition, promotion, construction, urbanisation, management, operation, holding, use, enjoyment of, yielding of, business management of any type, of property, buildings, tourist complexes, hotels, farms and /or agricultural land in the country or urban areas and personal rights or rights in rem of real-estate property including its conveyance, whether in its entirety or partially, per apartment or by means of the sale of or assignment of rotational enjoyment rights, timeshare or any other kind of rights to use. The main activity is the management of five hotel complexes (Playa Amadores, Sol Amadores, Vista Amadores, Jardín Amadores and Puerto Calma, as well as the lease of commercial premises.
- 1.4. The Corporate offices are located at Avenida Anna Lindh, number 1, Urbanización Amadores, in the municipality of Mogán in Gran Canaria.
- 1.5. The Company is a part of a Group whose parent Company is HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U., headquartered at Avenida Ministra. Said company does not present yearly consolidated accounts, because it is not mandatory for it to do so. This Spanish Group is integrated in a higher one, which the parent company is Holiday Club Resorts Oy, located in Finland, which presents yearly consolidated accounts.
- 1.6. On April 6, 2011 the Public Deed was signed, by means of which the Company, together with its related company HOLIDAY CLUB CANARIAS SALES & MARKETING, S.L.U., acquired the business of the five tourist complexes which they are currently operating. In said acquisition, the Company was assigned property for the amount of 3,170,602 Euros (237,700,032 Rupees) and the administration and maintenance operations' Goodwill valued at 1,700,000 Euros (127,449,000 Rupees). The remaining assets (unsold weeks, customers' loan rights and goodwill corresponding to the main business of Timeshare) was assigned to the above mentioned related Company. On June 1, 2012 a public Deed was also signed comprising a series of agreements related to the purchase of the business described above.

2. BASIS USED FOR THE PRESENTATION OF THE ANNUAL ACCOUNTS

The figures contained in the Balance Sheet, in the Profit & Loss Account, in the Statement of Changes to Equity, in the Cash-flow Statement and in this Report are expressed in Euros, which, upon being rounded out, cause small differences in their presentation.

Foreign Currency amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 69.26 = FC: EUR1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31st March 2017

These annual accounts are presented for approval to the Annual General Meeting of Members.

2.1. True and Fair View

The annual accounts are obtained from the Company's accounting records and have been presented according to the regulations set out in Law 16/2007 of July 4, on the revised and adapted mercantile accounting legislation to harmonise it internationally on the basis of the European Union and by Royal Decree 1514/2007 of November 16, in which the General

Accounting Plan was approved, in order to reflect a true and fair view of the Equity, the financial situation and the Company's Profit & Loss as well as the veracity of the streams incorporated into the Cash-flow, according to generally accepted accounting practices and regulations.

2.2. Critical Aspects in the Valuation and Judgement of Uncertainty

At the closing of the financial period, estimations were used in the drafting of the annual accounts such as: calculation of the impairment of assets and estimations of the useful life of the assets, amongst others. Due to future events, it is possible that additional information to that existing at the time the annual accounts were drafted require modifying these estimations in future financial periods.

There are no significant uncertainties relating to events or conditions which would raise significant doubts about the possibility of the Company continuing to operate normally.

2.3. Comparing Information

On February 1, 2016 General Meeting of the Company in which it was agreed to modify the start and end dates of the financial year in the bylaws, establishing April 1 to March 31 of each year. Exceptionally, with respect to this financial period beginning on October 1, 2015, it was agreed to finalize on March 31, 2016.

However, it is important to point out that the figures corresponding to the Financial Year ending on March 31, 2017 will not be comparable, since the Financial Period ending on March 31, 2016 only covered 6 months (October 2015 to March 2016) and the next period covered twelve months (April 2016 to March 2017). This is due to the fact that the shareholders passed a resolution in which they decided to modify the Financial Period, in order for it to start every April 1 of each year. This is why the Financial Period 2015/2016 only covered 6 months.

Foreign Currency amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 69.26 = FC: EUR1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31st March 2017.

3. APPLICATION OF RESULTS

The proposal for the application of the results of the financial period ending March 31, 2017 which the Administrators shall draw up for approval by the Members, together with the distribution approved for the period ending on March 31, 2016, is as follows:

Euros	2016/17	2015/16
<u>Distribution Balance</u>		
Financial Period Profits	320,068	273,598
<u>Distribution</u>		
Goodwill Reserves	-	42,500
Voluntary Reserves	320,068	231,098
Totals	320,068	273,598
<u>Rupees</u>	2016/17	2015/16
<u>Distribution Balance</u>		
Financial Period Profits	22,167,878	18,949,390
<u>Distribution</u>		
Goodwill Reserves	-	2,943,549
Voluntary Reserves	22,167,878	16,005,841
Totals	22,167,878	18,949,390

4. RECOGNITION AND MEASUREMENT REGULATIONS

The main accounting principles and practices applied in the drafting of the Annual Accounts, follow current legislation, highlighting the principles of company operation, accrual, consistency, prudence, non-compensation and relative importance as most significant.

The most significant accounting criteria applied in the drafting of the Annual Accounts are the following ones:

4.1. Intangible Fixed Assets

The intangible fixed assets are comprised of Goodwill.

At the closing of the financial period, goodwill has been measured and no impairment has been identified, as it has been estimated that the recoverable value is higher than the accounting value. The Goodwill is amortised at 10 per cent according to the Royal Decree 602/2016 of December 2, which determine that this intangible has to be amortised in 10 years.

4.2. Tangible Fixed Assets

These have been measured at their acquisition cost, including those additional costs necessary to put the assets into operation.

Maintenance and repair costs which do not improve the use of or extend the useful life of the assets are charged to the Profit and Loss account when they occur.

It is depreciated linearly depending on the useful life of assets and their residual value, according to the normal depreciation experienced during operation, use and enjoyment, using as a reference point, the regulations contained in Law 27/2014 of November 27, in which the Regulation of Corporate Taxes was approved, without prejudice to taking into consideration the technical or commercial obsolescence which could affect it. The percentages applied are the following:

Buildings	3%
Machinery	12-50%
Other installations	8-12%
Furniture	10%
IT Equipment	25%
Other intangible assets	12-15%

The Company's administrators consider that the accounting value of these assets does not exceed their recoverable value.

4.3. Real-estate Investments

The Company classifies as Real-estate Investments, those buildings which are not being used for the production process and the profits from which are obtained through revenue from leases. The recording and measurement criteria are the same as applied to intangible fixed assets. They are amortised linearly and the percentage applied is 3 per cent.

The Company's administrators consider that the accounting value of these assets do not exceed their recoverable value.

4.4. Financial Instruments

The Company's financial instruments are classified as:

- a) Loans and accounts receivable, including those loans for commercial or non-commercial operations. Those whose maturity is no longer than one year are valued at their face-value, because they do not have any contractual interest rate and the effect of not up-dating cash-flow is not significant. Those whose maturity is over one year are measured at their reasonable value, which is equal to the value of the compensation delivered plus directly attributable transaction costs. Interest accrued is accounted for in the Profit & Loss Account, applying the Effective Interest Rate method.

Loss due to impairment of the value of these financial assets is the difference between their book value and the real value of future cash-flow estimated to be generated by them, less the effective interest rate calculated at the time of their initial recognition. The reversal of the impairment shall be limited by the loan's book value.

- b) Debits and accounts payable, including debits from commercial operations and the amounts owed by non-commercial operations: They will initially be measured by their reasonable value, except those debits which are for trade operations with a maturity of no more than one year and which do not bear any contractual interest, the amount of which is expected to be paid off short term, which are measured

at their face value. Interest accrued is accounted for in the Profit and Loss Account, applying the Effective Interest Rate method.

Financial instruments are classified as short and long-term, according to whether their maturity is less than or more than twelve months, respectively.

The Company has complied with requirements set out in the regulations governing recording and measurement relating to financial instruments.

4.5. Transactions in Foreign Currency

Accounts mentioned in foreign currency are measured at the exchange rate in effect at the time of the transaction. Positive or negative differences occurring at the time of payment or collection as a consequence of monetary fluctuations are carried over to the Profit and Loss Account. At closing of the period, both positive and negative differences that did not occur are carried over to the Profit and Loss Account.

4.6. Profit Tax

The Company pays tax under the Tax Consolidation System, according to what is set out in Chapter 7 of Royal Legislative Decree 4/2004 of March 5, in which the Revised Text of the Corporate Tax Law was approved. Holiday Club Canarias Investment is the parent Company, which presents the correspondent settlement.

Following the Accrual Principle, profit tax has been charged as an expense during the period. Current tax has been calculated as per the financial results before taxes, adjusted by permanent differences and consolidation and decreased by applying deductions, as set out in the tax regulations in effect.

Income and expense have also been accrued from deferred tax by activating tax credits at different times, originated in part by a fiscally non-deductible amortisation and short term provisions allocated in previous financial periods and which are respectively, tax deductible.

4.7. Provisions and Contingencies

Provisions are present obligations on the date of the balance sheet that have arisen as a result of past events; the amount and timing of cancellation are undetermined. Provisions are recorded at the current value of the estimated amount that the company will have to pay to settle the obligation in the future.

Contingent liabilities are potential liabilities arising as a result of past events, whose realization is contingent upon that happening or not, one or more future events independent of the will of the Company. Contingent liabilities, as well as the Provisions whose amount cannot be estimated reliably or it is not very likely that the Company must dispose of resources embodying profits, for their cancellation are not recognized for accounting purposes but are broken down in the Report.

4.8. Income and Expenses

Income and expenses are charged according to the actual stream of goods and services which they represent and regardless of when the monetary or financial flow deriving therefrom arises.

Revenue from sales and services performed will be measured at the fair value of the consideration received or receivable; the amount of any discount deducted, reduction in the price or other similar items that the company might grant. They are recognized when all the risks and significant benefits inherent in the ownership of the property have been transferred to the buyer.

Purchases and services incorporate taxes levied on the operation, with the exception of the VAT when deductible status exists.

4.9. Personnel Expenses

Personnel expenses are recognised on the basis of their accrual, considering that bonus payments are accrued on a yearly basis. There are no commitments for pensions nor retirement bonuses in the Company.

4.10. Criteria used in transactions between related parties

Transactions between related parties are accounted for, in general, by their reasonable value.

5. INTANGIBLE FIXED ASSETS

5.1. The transactions occurring during the 2015/16 and 2016/17 periods were the following:

Euros	Balance 30.09.15	Acquisitions	Disposals	Balance 31.03.16
Goodwill	1,700,000	-	-	1,700,000
Net Totals	1,700,000			1,700,000
	Balance 31.03.16	Acquisitions	Disposals	Balance 31.03.17
Goodwill	1,700,000	-	-	1,700,000
Accumulated amortization	-	(170,000)	-	(170,000)
Net Totals	1,700,000			1,530,000

Rupees	Balance 30.09.15	Acquisitions	Disposals	Balance 31.03.16
Goodwill	117,742,000	-	-	117,742,000
Net Totals	117,742,000			117,742,000
	Balance 31.03.16	Acquisitions	Disposals	Balance 31.03.17
Goodwill	117,742,000	-	-	117,742,000
Accumulated amortization	-	(11,774,203)	-	(11,774,203)
Net Totals	117,742,000			105,967,797

5.2. There is no evidence of impairment through March 31, 2017 on any of the elements in the Intangible Fixed Assets.

6. TANGIBLE FIXED ASSETS

6.1. The transactions occurring during the 2015/16 and 2016/17 periods were the following:

Euros	Balance 30.09.15	Acquisitions	Disposals	Balance 31.03.16
Gross Costs				
Buildings	2,521,287	26,837	-	2,548,123
Machinery	20,074	5,550	-	25,624
Other facilities	89,080	39,886	-	128,966
Furniture	15,434	1,036	-	16,470
IT Equipment	11,029	5,200	-	16,229
Other tangible fixed assets	374,100	-	-	374,100
Advances and fixed assets in progress	-	11,030	-	11,030
Totals	3,031,003	89,539	-	3,120,542

Accumulated amortization	Balance 30.09.15	Acquisitions	Disposals	Balance 31.03.16
Buildings	180,006	22,103	-	202,109
Machinery	6,166	3,765	-	9,930
Other installations	2,630	6,910	-	9,540
Furniture	3,517	798	-	4,314
IT Equipment	8,215	1,606	-	9,821
Other tangible fixed assets	251,266	28,039	-	279,306
Totals	451,799	63,221	-	515,020
Net Totals	2,579,204			2,605,522

Euros	Balance 31.03.16	Acquisitions	Disposals	Balance 31.03.17
Gross Costs				
Buildings	2,548,123	-	-	2,548,123
Machinery	25,624	6,043	-	31,667
Other facilities	128,966	7,975	-	136,941
Furniture	16,470	41,475	-	57,945
IT Equipment	16,229	-	-	16,229
Transportation elements	-	50,393	-	50,393
Other tangible fixed assets	374,100	11,947	-	386,047
Advances and fixed assets in progress	11,030	-	-	11,030
Totals	3,120,542	117,832	-	3,238,375
Accumulated amortization				
Buildings	202,109	44,609	-	246,718
Machinery	9,930	8,311	-	18,241
Other installations	9,540	15,500	-	25,040
Furniture	4,314	5,764	-	10,078
IT Equipment	9,821	2,942	-	12,763
Transportation elements	-	7,392	-	7,392
Other tangible fixed assets	279,306	57,399	-	336,705
Totals	515,020	141,917	-	656,933
Net Totals	2,605,522			2,581,443

Rupees	Balance 30.09.15	Acquisitions	Disposals	Balance 31.03.16
Gross Costs				
Buildings	174,624,338	1,858,731	-	176,482,999
Machinery	1,390,325	384,393	-	1,774,718
Other facilities	6,169,681	2,762,504	-	8,932,185
Furniture	1,068,959	71,753	-	1,140,712
IT Equipment	763,869	360,152	-	1,124,021
Other tangible fixed assets	25,910,166	-	-	25,910,166
Advances and fixed assets in progress	-	763,938	-	763,938
Totals	209,927,336	6,201,471	-	216,128,739

Accumulated amortization	Balance 30.09.15	Acquisitions	Disposals	Balance 31.03.16
Buildings	12,467,216	1,530,854	-	13,998,069
Machinery	427,057	260,764	-	687,752
Other installations	182,154	478,587	-	660,740
Furniture	243,587	55,269	-	298,788
IT Equipment	568,971	111,232	-	680,202
Other tangible fixed assets	17,402,683	1,941,981	-	19,344,710
Totals	31,291,667	4,378,686	-	35,670,262
Net Totals	178,635,669			180,458,477

Rupees	Balance 31.03.16	Acquisitions	Disposals	Balance 31.03.17
Gross Costs				
Buildings	176,482,999	–	–	176,482,999
Machinery	1,774,718	418,505	–	2,193,223
Other facilities	8,932,185	552,355	–	9,484,541
Furniture	1,140,712	2,872,559	–	4,013,271
IT Equipment	1,124,021	–	–	1,124,021
Transportation elements	–	3,490,209	–	3,490,209
Other tangible fixed assets	25,910,166	827,449	–	26,737,615
Advances and fixed assets in progress	763,938	–	–	763,938
Totals	216,128,739	8,161,078	–	224,289,817
Accumulated amortization				
Buildings	13,998,069	3,089,619	–	17,087,689
Machinery	687,752	575,620	–	1,263,338
Other installations	660,740	1,073,530	–	1,734,236
Furniture	298,788	399,215	–	697,968
IT Equipment	680,202	203,763	–	883,931
Transportation elements	–	511,970	–	511,936
Other tangible fixed assets	19,344,734	3,975,455	–	23,320,170
Totals	35,670,285	9,829,171	–	45,499,269
Net Totals	180,458,454			178,790,550

6.2. The Buildings heading corresponds to property for which the value of the plots and buildings come to 1,061,167 euros (73,496,426 Rupees) and 1,486,957 euros (102,986,642 Rupees), respectively.

6.3. Acquisitions during the financial period 2016/17 correspond to refurbishments in the common areas, furniture for two of the hotel resorts as well as the acquisition of a transport element with a financial lease (see note 8). Furthermore acquisitions during the financial period 2015/16 correspond mostly to refurbishments in the common areas of a hotel resort.

6.4. Fixed assets in progress correspond to refurbishment projects in two of the resorts.

6.5. There are fully depreciated assets in use in March 31, 2017 for the amount of 16,139 Euros (1,117,787 Rupees), 3,450 Euros (238,947 Rupees) in March 31, 2016.

6.6. There are no signs of impairment through March 31, 2017 for the elements in the Tangible Fixed Assets.

6.7. The fixed assets are covered against risk of fire, theft, etc, by means of several insurance policies with the corresponding premiums paid up-to-date.

7. REAL-ESTATE INVESTMENTS

7.1. The transactions occurring during the 2015/16 and 2016/17 periods were the following:

Euros	Balance 30.09.15	Acquisitions	Disposals	Balance 31.03.16
Buildings	848,003	–	–	848,003
Accumulated amortisation	(66,217)	(7,378)	–	(73,595)
Net Totals	781,786			774,408

	Balance 31.03.16	Acquisitions	Disposals	Balance 31.03.17
Buildings	848,003	–	–	848,003
Accumulated amortisation	(73,596)	(14,754)	–	(88,350)
Net Totals	774,407			759,653
Rupees	Balance 30.09.15	Acquisitions	Disposals	Balance 31.03.16
Buildings	58,732,689	–	–	58,732,689
Accumulated amortisation	(4,586,189)	(511,000)	–	(5,097,158)
Net Totals	54,146,500			53,635,531
	Balance 31.03.16	Acquisitions	Disposals	Balance 31.03.17
Buildings	58,732,689	–	–	58,732,689
Accumulated amortisation	(5,097,227)	(1,021,884)	–	(6,119,111)
Net Totals	53,635,462			52,613,578

7.2. The heading for Plots and Buildings correspond to property in which the value of the plot and the buildings come to 356,161 euros (24,667,711 Rupees) and 491,842 Euros (34,064,977 Rupees), respectively.

7.3. The Company's Real-estate investments for rental, have generated revenue for 66,757 Euros (4,623,590 Rupees) and 104,831 Euros (7,260,595 Rupees) during the financial periods 2015/16 y 2016/17 respectively and correspond to three restaurants, a pool-bar and a hairdressers' salon.

7.4. The main expenditures for these properties correspond to allocation for amortisation.

7.5. There are no signs of impairment through March 31, 2017 for the elements in the Real-estate investments.

7.6. The Real-estate investments are covered against risk of fire, theft, etc., by means of several insurance policies with the corresponding premiums paid up-to-date.

8. LEASES AND OTHER SIMILAR OPERATIONS

Financial leases

8.1. The amount for which the fixed asset liable to a financial lease has initially been recognized is 50,393 Euros (3,490,219 Rupees) and corresponds to a transport element for the amount of (see note 6). The asset has been recorded at fair value.

8.2. The reconciliation between the minimum future payments and the current value at the end of the 2016/17 and 2015/16 financial years is the following (see note 10.6):

Euros	2016/17	2015/16
Total amount of minimum future payments at the end of the period	37,519	–
Financial expenses not accrued	(1,481)	–
Current value to the end of the period (note 10.6)	36,038	–
Rupees	2016/17	2015/16
Total amount of minimum future payments at the end of the period	2,598,533	–
Financial expenses not accrued	(102,552)	–
Current value to the end of the period (note 10.6)	2,495,981	–

HOLIDAY CLUB CANARIAS RESORT MANAGEMENT S.L.U.

8.3. The minimum lease payments and their current value, at the end of the financial years 2016/17 and 2015/16, by maturity are as follows:

<u>Euros</u>	<u>2016/17</u>	<u>2015/16</u>
Minimum payment		
Up to 1 year	17,316	-
From 1 to 5 years	20,202	-
Current value		
Up to 1 year	16,256	-
From 1 to 5 years	19,782	-

<u>Rupees</u>	<u>2016/17</u>	<u>2015/16</u>
Minimum payment		
Up to 1 year	1,199,323	-
From 1 to 5 years	1,399,210	-
Current value		
Up to 1 year	1,125,861	-
From 1 to 5 years	1,370,119	-

8.4. The value of the purchase option of the items liable to a financial lease is 1,443 Euros (99,942 Rupees)

8.5. The amount of the contingent fees recognized as expenses for the 2016/17 financial year is 1,518 Euros (105,137 Rupees)

9. FINANCIAL ASSETS

Information related to the Balance Sheet

9.1. Categories of financial assets (except for investments in the equity of Group, Multigroup and associated companies):

The breakdown of financial assets (except for investments in the equity of Group, Jointly-controlled group and associated companies) by categories is as follows:

<u>Euros</u>	<u>Equity Instruments</u>		<u>Debt Securities</u>		<u>Credits/Derivatives/Others</u>	
	<u>31.03.17</u>	<u>31.03.16</u>	<u>31.03.17</u>	<u>31.03.16</u>	<u>31.03.17</u>	<u>31.03.16</u>
Long-term Financial Assets						
Loans and Receivables	-	-	-	-	64,264	139,947
Totals	-	-	-	-	64,264	139,947
Short-term Financial Assets						
Loans and Receivables	-	-	-	-	2,088,330	2,216,562
Liquid Assets	-	-	-	-	1,479,034	1,150,278
Totals	-	-	-	-	3,567,364	3,366,840

<u>Rupees</u>	<u>Equity Instruments</u>		<u>Debt Securities</u>		<u>Credits/Derivatives/Others</u>	
	<u>31.03.17</u>	<u>31.03.16</u>	<u>31.03.17</u>	<u>31.03.16</u>	<u>31.03.17</u>	<u>31.03.16</u>
Long-term Financial Assets						
Loans and Receivables	-	-	-	-	4,450,904	9,692,738
Totals	-	-	-	-	4,450,904	9,692,738
Short-term Financial Assets						
Loans and Receivables	-	-	-	-	144,637,752	153,519,096
Liquid Assets	-	-	-	-	102,437,897	79,668,257
Totals	-	-	-	-	247,075,649	233,187,353

9.2. Classification by Maturity:

The ratings depending on the maturity of the different financial assets are as follows:

<u>Euros</u>	<u>Financial Assets</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>Next</u>	<u>Total I/t</u>
	Investments in Group and Associated Companies	1,277,210	-	-	-	-	-	-
	Loans to companies	1,277,210	-	-	-	-	-	-
	Short-term financial investments	480	-	-	-	-	-	-
	Other financial assets	480	-	-	-	-	-	-
	Commercial Debts and other Receivables	810,641	64,264	-	-	-	-	64,264
	Customer receivables for sales and services	775,111	64,264	-	-	-	-	64,264
	Sundry Receivables	31,347	-	-	-	-	-	-
	Personnel	4,183	-	-	-	-	-	-
	Cash and other Liquid Assets	1,479,034	-	-	-	-	-	-
	Liquid Assets	1,479,034	-	-	-	-	-	-
	Totals	3,567,364	64,264	-	-	-	-	64,264

Rupees

Financial Assets	2017/18	2018/19	2019/20	2020/21	2021/22	Next	Total I/t
Investments in Group and Associated Companies	88,459,530	-	-	-	-	-	-
Loans to companies	88,459,530	-	-	-	-	-	-
Short-term financial investments	33,245	-	-	-	-	-	-
Other financial assets	33,245	-	-	-	-	-	-
Commercial Debts and other Receivables	56,144,978	4,450,904	-	-	-	-	4,450,904
Customer receivables for sales and services	53,684,209	4,450,904	-	-	-	-	4,450,904
Sundry Receivables	2,171,059	-	-	-	-	-	-
Personal	289,710	-	-	-	-	-	-
Cash and other Liquid Assets	102,437,897	-	-	-	-	-	-
Liquid Assets	102,437,897	-	-	-	-	-	-
Totals	247,075,649	4,450,904	-	-	-	-	4,450,904

9.3. Corrections due to Impairment caused by Credit Risk

No variations due to impairment have been applied to the corrective accounts during the financial periods 2015/16 and 2016/17.

9.4. Customer Receivables for Sales and Services Performed

During the financial period 2014/15, the hotel resort Vista Amadores was refurbished, for the amount of 1,7 million Euros (127,449,000 Rupees), for which purpose investment for the amount of 1,3 million Euros (97,461,000 Rupees) had been approved by the General Assembly of Owners at the end of 2014. The difference of 0,4 million Euros (29,988,000 Rupees) has been recorded as a Customer Receivable, as the exceeding amount was approved on December 2015 by the General Assembly.

Information relating to the Profit & Loss Account9.5. Financial Income

Under the heading Financial Income from Marketable Securities and Other Financial Instruments in the Profit and Loss Account, the amounts of 28,323 Euros (1,961,651 Rupees) and 48,755 Euros (3,376,771 Rupees) for the financial periods 2015/16 and 2016/2017 respectively, correspond mainly to the accrual of bank account interest, term deposits and interest on commercial clients,

Other Information9.6. Reasonable Value

The book value of the financial assets is an acceptable approximation to the reasonable value.

Equity Instruments not being traded on an active market according to what is provided for in the 9th Rule of Recognition and Measurement of the Spanish New General Accounting Plan are valued at their cost.

9.7. Information Regarding the Nature and Level of Risk from Financial Assets:

Due to its normal activity, the Company is exposed to different financial risks, essentially, credit risk, liquidity risk and market risk, the latter referring to the rate of exchange; of interest rates and other price risks.

Credit Risks:

This basically refers to sales on credit to clients and debtors. To prevent possible effects, credit to clients and debtors are granted based on a preliminary solvency study and strict follow-up of credits and receivables. The client base is quite diversified.

Liquidity Risk:

The Company tries to keep an adequate liquidity ratio at all times to be able to honour its commitments, ensuring that current assets not including inventories, shall reasonably cover the current payables.

Market Rate Risk:

Due to the Company's activity and scope, it is subject to exchange rate risks of the sales made in foreign currency, depending on the volatility of the exchange rates.

Interest rate risks are minimum, because the Company grants loans at a fixed interest rate.

10. FINANCIAL LIABILITIES**Information related to the Balance Sheet**10.1. Categories of Financial Liabilities:

The breakdown of the financial liabilities by categories is as follows:

Euros

	Debits with Credit Institutions		Bonds y Other Market Securities		Derivatives/Others	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
<u>Long-term financial Liabilities</u>						
Debits and Payables	62,593	296,146	-	-	2,150	6,186
Totals	62,593	296,146	-	-	2,150	6,186
<u>Short-term Financial Liabilities</u>						
Debits and Payables	269,410	249,312	-	-	1,089,385	1,164,869
Totals	269,410	249,312	-	-	1,089,385	1,164,869

Rupees

	Debits with Credit Institutions		Bonds y Other Market Securities		Derivatives/Others	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Long-term financial Liabilities						
Debits and Payables	4,335,173	20,511,085	-	-	148,906	428,440
Totals	4,335,173	20,511,085	-	-	148,906	428,440
Short-term Financial Liabilities						
Debits and Payables	18,659,317	17,267,383	-	-	75,450,825	80,678,826
Totals	18,659,317	17,267,383	-	-	75,450,825	1,164,869

10.2 Classification by Maturity:

Classification according to the maturity of the different financial liabilities, is as follows:

Euros	Financial Liabilities	2017/18	2018/19	2019/20	2020/21	2021/22	Next	Total l/t
Debts		288,410	59,711	2,881	-	-	2,150	64,743
Debits with Credit Institutions		253,154	42,810	-	-	-	-	42,810
Creditors for financial leases		16,256	16,901	2,881	-	-	-	19,782
Other financial liabilities		19,000	-	-	-	-	2,150	2,150
Debts with Group and Associated Companies		808,466	-	-	-	-	-	-
Trade Creditors and other accounts payable		261,920	-	-	-	-	-	-
Sundry Creditors		261,920	-	-	-	-	-	-
Totals		1,358,795	59,711	2,881	-	-	2,150	64,743

Rupees

Financial Liabilities	2017/18	2018/19	2019/20	2020/21	2021/22	Next	Total l/t
Debts	19,975,257	4,135,616	199,557	-	-	148,906	4,484,079
Debits with Credit Institutions	17,533,455	2,965,054	-	-	-	-	2,965,054
Creditors for financial leases	1,125,861	1,170,562	199,557	-	-	-	1,370,119
Other financial liabilities	1,315,940	-	-	-	-	148,906	148,906
Debts with Group and Associated Companies	55,994,322	-	-	-	-	-	-
Trade Creditors and other accounts payable	18,140,563	-	-	-	-	-	-
Sundry Creditors	18,140,563	-	-	-	-	-	-
Totals	94,110,142	4,135,616	199,557	-	-	148,906	4,484,079

Information related to the Profit & Loss Account

10.3. Financial Expenses

The heading of debts to third parties includes interest accrued with credit institutions, the amounts of which come to 8,975 Euros (621,609 Rupees) and 5,198 Euros (360,013 Rupees) for the financial periods 2016/17 and 2015/16, respectively.

Other Information.

10.4. Reasonable Value

The book value of the financial liabilities is an acceptable approximation to the reasonable value.

10.5. Information on the Nature and Level of Risk from Financial Liabilities

Due to its regular activity, the Company is exposed to diverse financial risks, basically credit risks, liquidity risks and market risks, the latter of which refers to exchange rate risks, interest rate risks and other price risks.

10.6. Other Information about Financial Instruments

a) Debts with credit institutions show the following breakdown:

Euros	2016/17	2015/16
Personal secured loans	295,965	545,458
Leasing (note 8.2)	36,038	--
Totals	332,003	545,458
Rupees	2016/17	2015/16
Personal secured loans	20,498,509	37,778,468
Leasing (note 8.2)	2,495,981	--
Totals	22,994,491	37,778,468

b) The average interest rate of non-commercial debts fluctuates between 1 and 2 per cent per annum

11. SHAREHOLDERS' EQUITY

- 11.1. The share capital, for an amount of 3,100 Euros (214,706 Rupees), comprises 31 shares of 100 Euros (6,926 Rupees) face value each.
- 11.2. The Canary Islands Investments Reserve Fund for the amount of 670,000 Euros (46,404,200 Rupees), is subject to the availability limitations established in the tax regulations.
- 11.3. The corporation HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U., owns 100 per cent of the share capital of the Company.
- 11.4. The breakdown of the heading "other reserves" from the Balance Sheet, is as follows:

Euros	2016/17	2015/16
Voluntary Reserves	1,798,950	1,567,852
Canary Islands Investment Reserves	670,000	670,000
Goodwill Reserves	517,151	474,651
Totals	2,986,101	2,712,503

Rupees	2016/17	2015/16
Voluntary Reserves	124,595,271	108,589,431
Canary Islands Investment Reserves	46,404,200	46,404,200
Goodwill Reserves	35,817,903	32,874,353
Totals	206,817,373	187,867,983

12. TAX POSITION
Profit Tax
12.1. Tax Consolidation Regime

The Company is taxed in the Consolidated Tax System in accordance with Chapter VII of Royal Legislative Decree 4/2004, of 5 March, which approved the revised text from the Law of Corporate Tax. The Tax Group comprises the following corporations:

Parent: HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U.
 Subsidiaries: HOLIDAY CLUB CANARIAS SALES & MARKETING, S.L.U.
 AND HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, S.L.U.

12.2. Individual Tax Base

The reconciliation of the net amounts of income and expenditures for the financial period against the tax base of Corporate Tax, is the following:

Euros	Profit & Loss Account	Inc. & expend. directly attributable to Equity
Balance of income and expenditure for the financial year	320,068	-
Profit Tax	139,470	-
Current Tax	122,394	-
Deferred Tax	17,075	-
Goodwill Deduction	85,000	-
Non-deductible Expenses	11,899	-
Temporary Differences		
70% Limit Amortization	(7,210)	-
Provisions (Art. 14 LIS)	(59,649)	-
Tax Base (Tax Profit & Loss)	489,577	-

Rupees	Profit & Loss Account	Inc. & expend. directly attributable to Equity
Balance of income and expenditure for the financial year	22,167,878	-
Profit Tax	9,659,664	-
Current Tax	8,477,036	-
Deferred Tax	1,182,628	-
Goodwill Deduction	5,887,100	-
Non-deductible Expenses	824,125	-
Temporary Differences		
70% Limit Amortization	(499,365)	-
Provisions (Art. 14 LIS)	(4,131,290)	-
Tax Base (Tax Profit & Loss)	33,908,113	-

12.3. Corporate Tax Settlement

Under the rules applicable to the Tax Consolidation Regime, the taxable income of the tax group is determined by adding individual taxable bases corresponding to the companies comprising the Fiscal group, deletions; additions of deletions carried out in previous years and, in the event that the above sum proves to be positive, compensating the carry-forwards of the Fiscal group, as well as the outstanding tax bases to be applied by the companies taxable at the time of joining the Tax Group.

In consequence, the Individual Tax Base of HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, S.L.U. for the amount of 489,577 Euros (33,908,103 Rupees), is subject to addition together with the rest of the tax bases of the remaining companies comprising the Tax Group.

By applying the tax rate over the tax base, you obtain the total tax due for the tax group which is reduced by the items and amounts expressed below.

Euros	2016/17	2015/16
Previous Group Tax Base	(375,337)	116,247
Negative Group Tax base from previous financial years	-	(116,247)
Group Tax Base	(375,337)	-
Corporate income tax payable (25% x taxable base)	-	-
Group Gross Tax payable	-	-
Rupees	2016/17	2015/16
Previous Group Tax Base	(25,995,841)	8,051,267
Negative Group Tax base from previous financial years	-	(8,051,267)
Group Tax Base	(25,995,841)	-
Corporate income tax payable (25% x taxable base)	-	-
Group Gross Tax payable	-	-

12.4. Breakdown of expenditure on Income Tax

The expenditure on Income Tax accrued in the financial periods is broken down as follows:

Euros	2016/17	2015/16
1. Current Tax	122,394	113,084
2. Deferred tax	17,075	(6,263)
- deductible temporary differences that are activated in the period	(13,932)	(27,281)
- deductible temporary differences that are deducted in the period	31,007	21,018
3. Total expenditure on Income Tax	139,470	106,821

HOLIDAY CLUB CANARIAS RESORT MANAGEMENT S.L.U.

<u>Rupees</u>	2016/17	2015/16
1. Current Tax	8,477,036	7,832,198
2. Deferred tax	1,182,628	(433,807)
- deductible temporary differences that are activated in the period	(964,916)	(1,889,514)
- deductible temporary differences that are deducted in the period	2,147,545	1,455,707
3. Total expenditure on Income Tax	9,659,664	7,398,391

12.5. Deductions for Investments

During the financial period 2015/2016, no fixed asset investments located or received on the Canary Islands, have been made that have generated deductions nor are there, at March 31, any deductions pending application.

12.6. Deferred Tax Assets

Transactions during the financial periods 2015/16 and 2016/17 found in this heading have been the following:

<u>Euros</u>	Balance 30.09.15	Acquisitions	Applications	Balance 31.03.16
- Temporary differences for non-deductible provisions	21,500	27,281	(19,937)	28,844
- Temporary differences, 70% limit fiscal amortisation	21,629	-	(1,081)	20,548
Totals	43,129	27,281	(21,018)	49,392

	Balance 31.03.16	Acquisitions	Applications	Balance 31.03.17
- Temporary differences for non-deductible provisions	28,844	13,932	(28,844)	13,932
- Temporary differences, 70% limit fiscal amortisation	20,548	-	(2,163)	18,385
Totals	49,392	13,932	(31,007)	32,317

<u>Rupees</u>	Balance 30.09.15	Acquisitions	Applications	Balance 31.03.16
- Temporary differences for non-deductible provisions	1,489,111	1,889,482	(1,380,837)	1,997,756
- Temporary differences, 70% limit fiscal amortisation	1,498,025	-	(74,870)	1,423,154
Totals	2,987,135	1,889,482	(1,455,707)	3,420,911

	Balance 31.03.16	Acquisitions	Applications	Balance 31.03.17
- Temporary differences for non-deductible provisions	1,997,735	964,930	(1,997,735)	964,930
- Temporary differences, 70% limit fiscal amortisation	1,423,154	-	(149,809)	1,273,345
Totals	3,420,890	964,930	(2,147,545)	2,238,275

12.7. The Canary Islands Investment Reserve

The Canary Islands Investment Reserve was provided for from January 1, 2007 and what has been set out in Royal Decree Act 12/2016 of December 29, in which Law 19/1994 of July 6, Modification of the Canary Islands Financial and Tax Regime (REF) was modified, is applicable.

At the end of the financial period 2016/2017, the situation of the Canary Islands Investment Reserve is as follows:

<u>Euros</u>	2012/13	2013/14
Item		
Provisions	245,000	425,000
<u>Investments made</u>		
Financial Period 2013/14	(17,221)	-
Financial Period 2014/15	(191,443)	-
Financial Period 2015/16	(36,336)	(42,173)
Financial Period 2016/17	-	(117,833)
<u>Investments pending</u>		
Maturity 2016/17	-	-
Maturity 2017/18	-	264,993

<u>Rupees</u>	2012/13	2013/14
Item		
Provisions	16,968,700	29,435,500
<u>Investments made</u>		
Financial Period 2013/14	(1,192,726)	-
Financial Period 2014/15	(13,259,342)	-
Financial Period 2015/16	(2,516,631)	(2,920,902)
Financial Period 2016/17	-	(8,161,114)
<u>Investments pending</u>		
Maturity 2016/17	-	-
Maturity 2017/18	-	18,353,484

Specifically, investments made in the financial period 2013/2014 for which the Canary Island Investment Reserve was materialised, were the following:

<u>Euros</u>		Acquisition Date	Amount Materialised	Provision 2012/2013
Account	Item			
21301001	Machinery	01.03.2014	1,103	1,103
21301001	Machinery	13.03.2014	690	690
21301001	Machinery	13.08.2014	1,152	1,152
21301001	Machinery	15.09.2014	12,015	12,015
TOTAL MACHINERY			14,961	14,961
201608002	Furniture	29.11.2013	2,097	2,097
201608002	Furniture	22.11.2013	163	163
TOTAL FURNITURE			2,260	2,260

<u>Rupees</u>		Acquisition Date	Amount Materialised	Provision 2012/2013
Account	Item			
21301001	Machinery	01.03.2014	76,394	76,394
21301001	Machinery	13.03.2014	47,789	47,789
21301001	Machinery	13.08.2014	79,788	79,788
21301001	Machinery	15.09.2014	832,159	832,159
TOTAL MACHINERY			1,036,130	1,036,130
201608002	Furniture	29.11.2013	145,238	145,238
201608002	Furniture	22.11.2013	11,289	11,289
TOTAL FURNITURE			1,192,657	1,192,657

Throughout the financial period 2014/2015 the Company has carried out the following investments, materialising the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2012/2013
21108022	Construction/Buildings	10.02.2015	4,020	4,020
21108022	Construction/Buildings	28.02.2015	6,759	6,759
21108022	Construction/Buildings	28.02.2015	392	392
21108022	Construction/Buildings	28.02.2015	329	329
21108022	Construction/Buildings	28.02.2015	15,212	15,212
21108022	Construction/Buildings	31.03.2015	2,183	2,183
21108022	Construction/Buildings	30.09.2015	76,825	76,825
TOTAL CONSTRUCTION			105,720	105,720
21301001	Machinery	28.02.2015	1,103	1,103
21301001	Machinery	28.02.2015	1,103	1,103
21301001	Machinery	28.02.2015	1,103	1,103
21301001	Machinery	31.05.2015	562	562
21301001	Machinery	30.06.2015	601	601
21301001	Machinery	30.07.2015	601	601
TOTAL MACHINERY			5,074	5,074
21508001	Other Facilities	31.05.2015	5,646	5,646
21508001	Other Facilities	17.06.2015	1,096	1,096
21508001	Other Facilities	17.06.2015	586	586
21508001	Other Facilities	29.09.2015	4,056	4,056
21508001	Other Facilities	30.09.2015	68,175	68,175
TOTAL OTHER FACILITIES			79,558	79,558
201608001	Furniture	28.10.2014	437	437
201608001	Furniture	01.12.2014	654	654
TOTAL FURNITURE			1,091	1,091

Rupees

Account	Item	Acquisition Date	Amount materialised	Provision 2012/2013
21108022	Construction/Buildings	10.02.2015	278,425	278,425
21108022	Construction/Buildings	28.02.2015	468,128	468,128
21108022	Construction/Buildings	28.02.2015	27,150	27,150
21108022	Construction/Buildings	28.02.2015	22,787	22,787
21108022	Construction/Buildings	28.02.2015	1,053,583	1,053,583
21108022	Construction/Buildings	31.03.2015	151,195	151,195
21108022	Construction/Buildings	30.09.2015	5,320,900	5,320,900
TOTAL CONSTRUCTION			7,322,167	7,322,167
21301001	Machinery	28.02.2015	76,394	76,394
21301001	Machinery	28.02.2015	76,394	76,394
21301001	Machinery	28.02.2015	76,394	76,394
21301001	Machinery	31.05.2015	38,924	38,924
21301001	Machinery	30.06.2015	41,625	41,625
21301001	Machinery	30.07.2015	41,625	41,625
TOTAL MACHINERY			351,356	351,356
21508001	Other Facilities	31.05.2015	391,042	391,042
21508001	Other Facilities	17.06.2015	75,909	75,909
21508001	Other Facilities	17.06.2015	40,586	40,586
21508001	Other Facilities	29.09.2015	280,919	280,919
21508001	Other Facilities	30.09.2015	4,721,801	4,721,801
TOTAL OTHER FACILITIES			5,861,612	5,861,612
201608001	Furniture	28.10.2014	30,267	30,267
201608001	Furniture	01.12.2014	45,296	45,296
TOTAL FURNITURE			10,980,480	10,980,480

Throughout the financial period 2015/2016 the Company has carried out the following investments, materialising the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2012/2013	Provision 2013/2014
21108005	Constructions	20.11.2015	8,027	8,027	-
21108005	Constructions	20.11.2015	1,950	1,950	-
21108005	Constructions	24.12.2015	1,565	1,565	-
21108005	Constructions	24.12.2015	1,450	1,450	-
21108005	Constructions	24.12.2015	1,499	1,499	-
21108005	Constructions	24.12.2015	8,027	8,027	-
21108005	Constructions	31.01.2016	1,950	1,950	-
21108008	Constructions	31.01.2016	2,370	2,370	-
TOTAL CONSTRUCTIONS			26,837	26,837	-
21301001	Machinery	31.01.2016	1,036	-	1,036
21301001	Machinery	31.01.2016	4,514	-	4,514
TOTAL MACHINERY			5,550	-	5,550
21508001	Other facilities	30.11.2015	5,271	5,271	-
21508001	Other facilities	01.12.2015	30,707	320	30,387
21508001	Other facilities	31.12.2015	2,409	2,409	-
21508001	Other facilities	31.01.2016	1,499	1,499	-
TOTAL OTHER FACILITIES			39,886	9,499	30,387
21608001	Furniture	02.01.2016	1,036	-	1,036
TOTAL FURNITURE			1,036	-	1,036
21708001	IT equipment	18.12.2015	5,024	-	5,024
21708001	IT equipment	18.12.2015	176	-	176
TOTAL IT EQUIPMENT			5,200	-	5,200

Rupees

Account	Item	Acquisition Date	Amount materialised	Provision 2012/2013	Provision 2013/2014
21108005	Constructions	20.11.2015	555,950	555,950	-
21108005	Constructions	20.11.2015	135,057	135,057	-
21108005	Constructions	24.12.2015	108,392	108,392	-
21108005	Constructions	24.12.2015	100,427	100,427	-
21108005	Constructions	24.12.2015	103,821	103,821	-
21108005	Constructions	24.12.2015	555,950	555,950	-
21108005	Constructions	31.01.2016	135,057	135,057	-
21108008	Constructions	31.01.2016	164,146	164,146	-
TOTAL CONSTRUCTIONS			1,858,800	1,858,800	-
21301001	Machinery	31.01.2016	71,753	-	71,753
21301001	Machinery	31.01.2016	312,640	-	312,640
TOTAL MACHINERY			384,393	-	384,393
21508001	Other facilities	30.11.2015	365,069	365,069	-
21508001	Other facilities	01.12.2015	2,126,767	22,163	2,104,604
21508001	Other facilities	31.12.2015	166,847	166,847	-
21508001	Other facilities	31.01.2016	103,821	103,821	-
TOTAL OTHER FACILITIES			2,762,504	657,901	2,104,604
21608001	Furniture	02.01.2016	71,753	-	71,753
TOTAL FURNITURE			71,753	-	71,753
21708001	IT equipment	18.12.2015	347,962	-	347,962
21708001	IT equipment	18.12.2015	12,190	-	12,190
TOTAL IT EQUIPMENT			360,152	-	360,152

Throughout the financial period 2016/2017 the Company has carried out the following investments, materialising the Reserve in the following assets and on the dates indicated in the table below. This table shows, the

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Financial Period, for which the provision was materialised by type of asset is indicated:

Euros				
Account	Item	Acquisition Date	Amount materialised	Provision 2013/2014
21901009	Other Tangible Fixed Assets	01.09.2016	11,606	11,606
21908009	Other Tangible Fixed Assets	13.04.2016	201	201
21908009	Other Tangible Fixed Assets	13.04.2016	140	140
TOTAL OTHER TANGIBLE FIXED ASSETS			11,947	11,947
21301001	Machinery	10.10.2016	3,300	3,300
21301001	Machinery	31.10.2016	1,654	1,654
21301001	Machinery	31.10.2016	293	293
21301001	Machinery	31.12.2016	875	875
21301001	Machinery	01.01.2017	(1,036)	(1,036)
21301001	Machinery	07.02.2017	800	800
21301001	Machinery	07.02.2017	155	155
TOTAL MACHINERY			6,043	6,043
21408001	Other facilities	28.02.2017	7,975	7,975
TOTAL OTHER FACILITIES			7,975	7,975
21608001	Furniture	30.06.2016	22,155	22,155
21608001	Furniture	05.10.2016	18,080	18,080
21608001	Furniture	01.03.2017	1,241	1,241
TOTAL FURNITURE			41,476	41,476
21801001	Vehicles	24.05.2016	50,393	50,393
TOTAL VEHICLES			50,393	50,393

Rupees				
Account	Item	Acquisition Date	Amount materialised	Provision 2013/2014
21901009	Other Tangible Fixed Assets	01.09.2016	803,832	803,832
21908009	Other Tangible Fixed Assets	13.04.2016	13,921	13,921
21908009	Other Tangible Fixed Assets	13.04.2016	9,696	9,696
TOTAL OTHER TANGIBLE FIXED ASSETS			827,449	827,449
21301001	Machinery	10.10.2016	228,558	228,558
21301001	Machinery	31.10.2016	114,556	114,556
21301001	Machinery	31.10.2016	20,293	20,293
21301001	Machinery	31.12.2016	60,603	60,603
21301001	Machinery	01.01.2017	(71,753)	(71,753)
21301001	Machinery	07.02.2017	55,408	55,408
21301001	Machinery	07.02.2017	10,735	10,735
TOTAL MACHINERY			418,400	418,400
21408001	Other facilities	28.02.2017	552,349	552,349
TOTAL OTHER FACILITIES			552,349	552,349
21608001	Furniture	30.06.2016	1,534,455	1,534,455
21608001	Furniture	05.10.2016	1,252,221	1,252,221
21608001	Furniture	01.03.2017	85,952	85,952
TOTAL FURNITURE			2,872,628	2,872,628
21801001	Vehicles	24.05.2016	3,490,219	3,490,219
TOTAL VEHICLES			3,490,219	3,490,219

The Company has not carried out investments prior to the provision and it has not been benefited from grants or any other tax benefit accrued at the time of the investment made as a result of the realization of the RIC.

12.8. Financial Periods Open to the Possibility of a Tax Inspection

As set forth in current legislation, taxes cannot be considered definitively settled until the tax returns presented have been inspected by the tax authorities or the four-year statute of limitations has run out.

At the closing date, the company is also open to inspection of all the taxes that are applicable to it, corresponding to the last four years.

The Board of Directors of the Company considered that liquidations of the mentioned taxes has been properly settled, so, even though discrepancies could arise in the interpretation or the existing tax regulations by the handling of tax granted to the operations, the eventual resulting liabilities in case of materialisation would not significantly affect the annual accounts.

13. FOREIGN CURRENCY

The Exchange differences recognised in the financial periods 2015/16 and 2016/17 in the Profit and Loss Account, for creditors' amounts of 585 Euros (40,517 Rupees) and 271 Euros (18,769 Rupees) respectively, belongs to transactions settled during the Financial Period.

14. INCOME AND EXPENSES

Breakdown of the following items in the Profit and Loss Account:

4.a) Consumption of goods: corresponding entirely to the cost of merchandise for the amounts of 52,729 Euros (3,652,011 Rupees) and 98,622 Euros (6,830,560 Rupees) during the financial periods 2015/16 and 2016/17, respectively. All purchases have been made in Spanish territory.

6.b) Social security: corresponds entirely to the Business contribution to Social Security for a total amount of 219,413 Euros (15,196,544 Rupees) and 504,024 Euros (34,908,702 Rupees) for the financial periods 2015/16 and 2016/17, respectively.

7.a) External Services:

<u>Euros</u>	2016/17	2015/16
Leases and Charges	1,648	824
Repair and Maintenance	494,230	239,627
Independent Professional Services	361,362	175,585
Transport	25,569	14,660
Insurance	29,212	10,079
Bank Services and Similar	12,559	12,191
Publicity, Advertising and Public Relations	2,325	3,736
Supplies	567,011	288,135
Other Services	116,206	60,788
Totals	1,610,122	805,625
<u>Rupees</u>	2016/17	2015/16
Leases and Charges	114,129	57,065
Repair and Maintenance	34,230,402	16,596,556
Independent Professional Services	25,027,917	12,160,996
Transport	1,770,908	1,015,374
Insurance	2,023,210	698,060
Bank Services and Similar	869,817	844,349
Publicity, Advertising and Public Relations	161,016	258,778
Supplies	39,271,206	19,956,202
Other Services	8,048,415	4,210,173
Totals	111,517,020	55,797,554

7.c) Losses on impairment of and change in trade transactions:

Euros	2016/17	2015/16
Losses from bad debts	267,882	–
Provisions Other Trade Transactions (Note 14).	201,254	109,124
Totals	469,135	109,124

Rupees	2016/17	2015/16
Losses from bad debts	18,553,500	–
Provisions Other Trade Transactions (Note 14).	13,938,823	7,557,933
Totals	32,492,323	7,557,933

13. Other results: these correspond to the Profits & Losses that stem from events that are not a part of the Company's typical activities and which are not expected to occur frequently.

15. PROVISIONS AND CONTINGENCIES

15.1. During the financial period 2015/16, a provision was allocated for 109,124 Euros (7,557,928 Rupees) (see note 14) and a provision was applied to investments carried out for the amount of 79,746 Euros (5,523,208 Rupees). In consequence, the Balance of short-term provisions on March 31, 2016 comes to 121,064 Euros (8,384,893 Rupees). During the financial period 2016/17, a provision was allocated for 201,254 Euros (13,938,852 Rupees) and a provision was applied to investments carried out for the amount of 253,875 Euros (17,583,383 Rupees). In consequence, the Balance of short-term provisions on March 31, 2017 comes to 68,443 Euros (4,740,362 Rupees).

15.2. The Company is guaranteeing another Company in the Group for a loan obtained from a Finance Company for the amount of 518,142 Euros (35,886,515 Rupees) (see Note 18.3).

15.3. A guarantee has been provided by one of the Group companies, to respond for a loan granted by a Finance Company, for the amount of 750,000 Euros (51,945,000 Rupees) (see Note 18.3).

16. ENVIRONMENTAL INFORMATION

Given the activity that the Company carries out, there are no responsibilities, expenses, assets or deadlines of any environmental nature that could be of any significance with regard to equity, the financial position and its results. Therefore, no specific break-downs are included in this report.

17. EVENTS AFTER THE CLOSING OF THE FINANCIAL YEAR

No events have occurred after closing that could be considered significant and affect the financial period's accounts.

18. TRANSACTIONS BETWEEN RELATED PARTIES
18.1. Regarding the Managing Board and Key Company Staff.

Managers and the key personnel of the company with whom related-party transactions have been carried out are the following:

- Mr. Calvin Stuart Lucock, Administrator and Managing Director.
- Mrs. Claudia Esplá Marín, Finance Manager
- Mr. Roberto Picón Pampin, Operations Manager

Remuneration paid to managers and key personnel of the company, during the financial periods 2016/17, in their status as employees of the company, amounts to 197,000 Euros (13,644,220 Rupees) and 96,600 Euros (6,690,516 Rupees) in the financial period 2015/17.

On the Balance Sheet there is a current account with partners and administrators at March 31, 2017, that amounts 0 Euros (0 Rupees), and at March 31, 2016 an amount of 3,588 euros (248,505 Rupees).

18.2. Information required by Article 229 Of the Corporate Enterprises Act.

According to the Article 229 of the Corporate Enterprises Act, we hereby inform that the members of the Board of Directors do not have shares or

hold positions or perform functions in companies whose corporate purpose is the same, similar or complementary to the Company's.

However, the members of the Board of Directors hold various shares in companies related to the Company and hold management positions and carry out functions related to the management, which have not been subject to inclusion in this Note of the Report, as this does not pose any conflict with regard to their duties of diligence and loyalty or the existence of potential conflicts of interest in the context of Law 26/2004 of July 17, which amended Law 24/1988, of July 28, in which the Market Values and the revised text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010 of 2 July.

Also during the Financial Period, the members of the Board of Directors have not carried out transactions outside the normal course of business beyond the ordinary traffic or in conditions other than those of the market with the company or group companies. The only transactions with administrators are those outlined in Note 18.1.

18.3. Transactions and Balances with Group companies:

Euros	2016/2017		2015/2016	
	Services received	Services rendered	Services received	Services rendered
Company				
Holiday Club Canarias Sales & Marketing, SLU	170,264	2,490,190	87,563	2,144,102
Holiday Club Resort OY	–	3,999	(30,600)	(1,142)
Holiday Club Canarias Investment, SL	–	–	–	–
Holiday Club Sweden AB	–	–	–	–
Totals	170,264	2,494,189	56,963	2,142,960

Rupees	2016/2017		2015/2016	
	Services received	Services rendered	Services received	Services rendered
Company				
Holiday Club Canarias Sales & Marketing, SLU	11,792,500	172,470,535	6,064,613	148,500,505
Holiday Club Resort OY	–	276,969	(2,119,356)	(79,095)
Holiday Club Canarias Investment, SL	–	–	–	–
Holiday Club Sweden AB	–	–	–	–
Totals	11,792,500	172,747,503	3,945,257	148,421,410

Transactions carried out between Group Companies have been performed under normal market conditions.

Balances outstanding with the Group Companies in the financial periods 2016/17 and 2015/16, both short-term and long-term, at the close of the Financial Periods are:

Euros	2016/2017		2015/2016	
	Debit Balances	Creditor Balances	Debit Balances	Creditor Balances
Company				
Holiday Club Canarias Sales & Marketing, SLU	1,276,694	–	449,253	–
Holiday Club Canarias Investment, SL	516	808,466	64,020	749,582
Holiday Club Resorts OY	–	–	472	–
Holiday Club Sweden AB	–	–	–	–
Totals	1,277,210	808,466	513,745	749,582

HOLIDAY CLUB CANARIAS RESORT MANAGEMENT S.L.U.

Rupees	2016/2017		2015/2016	
	Debit Balances	Creditor Balances	Debit Balances	Creditor Balances
Company				
Holiday Club Canarias Sales & Marketing, SLU	88,423,811	-	31,115,263	-
Holiday Club Canarias Investment, SL	35,737	55,994,322	4,434,025	51,916,049
Holiday Club Resorts OY	-	-	32,691	-
Holiday Club Sweden AB	-	-	-	-
Totals	88,459,548	55,994,322	35,581,979	51,916,049

The Company is backing to the Group Company Holiday Club Canarias Sales & Marketing, SLU to respond to a loan granted by a financial institution amounting to 518,142 Euros (35,886,515 Rupees). There is also a guarantee provided by the parent Group Company Holiday Club Canarias Investment, SLU to respond to a loan granted by a financial institution, amounting 750,000 Euros (51,945,000 Rupees) (see Notes 15.2 and 15.3).

19. OTHER INFORMATION

19.1. Number of Employees

The average number of persons employed by the Company during the 2016/17 and 2015/16 Financial Periods, distributed by professional categories, has been the following:

	Persons	
	2016/17	2015/16
Senior Managers	1.50	1.50
Administration and Middle Managers	9.29	9.00
Receptionists and Technical Staff	30.21	29.49
Housekeeping and others	43.63	40.05
Totals	84.63	80.04

The distribution by gender at the end of the financial period 2016/17 is the following:

	2016/17		2015/16	
	Men	Women	Men	Women
Senior Managers	2.00	-	2.00	-
Administration and Middle Managers	3.00	6.00	3.00	6.00
Receptionists and Technical Staff	27.00	4.00	24.00	7.00
Housekeeping and others	12.00	40.00	15.00	28.00
Totals	44.00	50.00	44.00	41.00

The distribution by disabled employees at the end of the financial period 2016/17 is the following:

	2016/17
Senior Managers	-
Administration and Middle Managers	-
Receptionists and Technical Staff	-
Housekeeping and others	2.00
Totals	2.00

19.2. Auditor's Fees

The fees for the audit of Annual Accounts for the Financial Periods 2016/17 and 2015/16 are as follows:

Euros	2016/17	2015/16
Fees charged for Account Auditing	9,500	9,300
Fees for other Services performed	4,500	4,500
Totals	14,000	13,800
Rupees	2016/17	2015/16
Fees charged for Account Auditing	657,970	644,118
Fees for other Services performed	311,670	311,670
Totals	969,640	955,788

20. SEGMENT INFORMATION

The distribution of the net amount of turnover corresponding to ordinary activity, by categories, is as follows:

Euros	2016/17	2015/16
Maintenance Fee	5,009,291	2,355,627
Other incomes	286,828	147,861
Totals	5,296,119	2,503,489
Rupees	2016/17	2015/16
Maintenance Fee	346,943,480	163,150,756
Other incomes	19,865,696	10,240,873
Totals	366,809,176	173,391,629

21. INFORMATION ABOUT PAYMENT DEFERRALS MADE TO SUPPLIERS, THIRD ADDITIONAL PROVISION TO THE "DUTY OF INFORMATION" OF LAW 15/2010 OF 5 JULY

According to the Third Additional Regulation of Law 15/2010 of 5 July, the Company informs the following information:

	2016/17	2015/16
	Days	Days
Payment Ratio	45	45
Outstanding payment Ratio	30	30
Average period for payment to suppliers	43	42
	Euro/Rupees	Euro/Rupees
Total payments in the period	1,815,656/125,752,335	1,679,807/125,935,131
Total outstanding payments	261,920/18,140,579	368,833/27,651,410

In Mogán, on April 10, 2017

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial Period commencing from April 1, 2016 and ended on March 31, 2017.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of other estate.

The Company's Resort Property is located at Helsinki, was fully operational.

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

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements. During the period under review, the Company has earned a revenue of Euro 0 (RS 0) and made profit of Euro 6,965.47 (RS 482,428.45).

Dividends

No Dividend was proposed for the financial period under review.

Directors

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

- 1) Riku Rauhala
- 2) Anne Oravainen
- 3) Tapio Anttila

During the period under review, there is no change in the composition of the Board of Directors.

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

Events Subsequent to Balance Sheet Date

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

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is continued to be wholly owned subsidiary of Holiday Club Resorts Oy (HCR) and in turn of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

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

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Financial Statements as at March 31, 2017.

Acknowledgements

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

Signed on behalf of the Board of Directors
of Kiinteistö Oy Himos Gardens

Riku Rauhala
Chair of the Board of Directors

Place : Tampere
Dated : 24.4.2017

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Himos Gardens

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Kiinteistö Oy Himos Gardens (business identity code 2165494-3) for the period ended 31 March 2017. The financial statements comprise the balance sheet, income statement and notes.

In my opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

I conducted my audit in accordance with good auditing practice in Finland. My responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to my audit, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance on whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

I 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 I identify during my audit.

Helsinki, 9 May 2017

Eero Suomela
Authorised Public Accountant, KHT

Nokkalankulma 7 B
02230 Espoo
FINLAND

PROFIT AND LOSS STATEMENT

	Eur	Rs.	Eur	Rs.
	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016
Property management expenses				
Administration.....	(818.98)	(56,722.55)	(793.22)	(54,938.42)
Property tax	(1,410.71)	(97,705.77)	(1,509.73)	(104,563.90)
Total	(2,229.69)	(154,428.33)	(2,302.95)	(159,502.32)
Profit(loss)	(2,229.69)	(154,428.33)	(2,302.95)	(159,502.32)
Financial income and expenses				
Interest income.....	10,959.08	759,025.88	18,041.31	1,249,541.13
Total financial income and expenses	10,959.08	759,025.88	18,041.31	1,249,541.13
Profit before appropriations and taxes	8,729.39	604,597.55	15,738.36	1,090,038.81
Income taxes	(1,763.92)	(122,169.10)	(2,787.76)	(193,080.26)
Profit/loss for the financial year	6,965.47	482,428.45	12,950.60	896,958.56

BALANCE SHEET

		Eur	Rs.	Eur	Rs.
	appendix	31/3/2017	31/3/2017	31/3/2016	31/3/2016
ASSETS					
NON-CURRENT ASSETS					
Tangible assets	1				
Land areas.....		527,069.84	36,504,857.12	527,069.84	36,504,857.12
Total tangible assets		527,069.84	36,504,857.12	527,069.84	36,504,857.12
TOTAL NON-CURRENT ASSETS		527,069.84	36,504,857.12	527,069.84	36,504,857.12
CURRENT ASSETS					
Short-term receivables	2				
Loan receivables from group companies		541,625.35	37,512,971.74	535,714.27	37,103,570.34
Total short-term receivables		541,625.35	37,512,971.74	535,714.27	37,103,570.34
Cash and cash equivalents					
Cash at bank		733.79	50,822.30	285.75	19,791.05
Total cash and cash equivalents		733.79	50,822.30	285.75	19,791.05
TOTAL CURRENT ASSETS		542,359.14	37,563,794.04	536,000.02	37,123,361.39
TOTAL ASSETS		1,069,428.98	74,068,651.15	1,063,069.86	73,628,218.50
LIABILITIES					
EQUITY					
Share capital	3	2,500.00	173,150.00	2,500.00	173,150.00
Building fund		1,040,077.00	72,035,733.02	1,040,077.00	72,035,733.02
Profit(loss) from previous years		18,793.37	1,301,628.81	5,842.77	404,670.25
Profit(loss) for the financial year		6,965.47	482,428.45	12,950.60	896,958.56
TOTAL EQUITY		1,068,335.84	73,992,940.28	1,061,370.37	73,510,511.83
BORROWED CAPITAL					
Short-term borrowed capital	4				
Accruals and deferred income		1,093.14	75,710.88	1,699.49	117,706.68
Total short-term borrowed capital		1,093.14	75,710.88	1,699.49	117,706.68
TOTAL LIABILITIES		1,069,428.98	74,068,651.15	1,063,069.86	73,628,218.50

NOTES TO THE FINANCIAL STATEMENTS

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises

(Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015).

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value.

Revenues and expenses are amortised on an accruals basis.

Comparability of the previous financial year data

The reference figures used are from the 1.10.2015 - 31.3.2016 financial period, i.e. a eighteenth-month period.

This shall be taken into account when comparing financial years.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.

Hitsaaajankatu 22, 00810 Helsinki

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 69.26 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1. Tangible assets

	Eur		Rs.	
	Land areas	Land areas	Land areas	Land areas
Acquisition cost 1.4.	527,069.84	36,504,857.12		
Acquisition cost 31.3.	527,069.84	36,504,857.12		
Book value 31.3.	527,069.84	36,504,857.12		

CURRENT ASSETS

RECEIVABLES

2. Short-term receivables

	Eur		Rs.	
	2017	2017	2016	2016
Loan receivables from group companies.....	541,625.35	37,512,971.74	535,714.27	37,103,570.34
Total.....	541,625.35	37,512,971.74	535,714.27	37,103,570.34

3. LIABILITIES

	Eur		Rs.	
	2017	2017	2016	2016
EQUITY				
Share capital in the beginning of the year.....	2,500.00	173,150.00	2,500.00	173,150.00
Share capital in the end of the year	2,500.00	173,150.00	2,500.00	173,150.00
Building fund in the beginning of the year.....	1,040,077.00	72,035,733.02	1,040,077.00	72,035,733.02
Building fund in the end of the year	1,040,077.00	72,035,733.02	1,040,077.00	72,035,733.02
Profit/loss from prev. financial period	18,793.37	1,301,628.81	5,842.77	404,670.25
Profit/loss for the financial year	6,965.47	482,428.45	12,950.60	896,958.56
Total equity	1,068,335.84	73,992,940.28	1,061,370.37	73,510,511.83

BREAKDOWN OF SHARE CAPITAL

	2017		2016	
Eur	No.	Eur	No.	Eur
1 vote/share	50.00	2,500.00	50.00	2,500.00
TOTAL	50.00	2,500.00	50.00	2,500.00

BREAKDOWN OF SHARE CAPITAL

	2017		2016	
Rs.	No	Rs.	No	Rs.
1 vote/share	50.00	173,150.00	50.00	173,150.00
Total	50.00	173,150.00	50.00	173,150.00

4. SHORT-TERM BORROWED CAPITAL

	Eur		Rs.	
	2017	2017	2016	2016
Accruals and deferred income	350.76	24,293.64	353.28	24,468.17
Tax liabilities	742.38	51,417.24	1,346.21	93,238.50
Total	1,093.14	75,710.88	1,699.49	117,706.68

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Profit for the financial year EUR 6,965.47 (Rs. 482,428.45). The Board of Directors proposes to the Annual General Meeting that the profit be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS DATE AND SIGNATURES

Helsinki, April 24, 2017

Riku Rauhala
Chair of the Board of Directors

Tapio Anttila
Board Member

Anne Oravainen
Board Member

AUDITOR'S NOTE

A report of the audit has been submitted today.

Eero Suomela
Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the Financial Period commencing from January 1st, 2016 and ended on 31st of December, 2016.

OPERATIONS/STATE OF THE COMPANY'S AFFAIRS

The Company is primarily engaged in Promotion and sales of Holiday Club Resorts in Finland and customer service on the Russian market under the basis of Agent Agreement with Holiday Club Resorts Oy.

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

FINANCIAL HIGHLIGHTS

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

During the period under review, the Company has earned a revenue of Rs. 13,686 thousand (RUB 11,877 thousand) and made net profit of Rs. 14,012 thousand (RUB 12,160 thousand).

RUB amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 1,1523 = 1 RUB which is the Bloomberg rate as on 31st March 2017.

DIVIDENDS

No Dividend was paid or proposed for the financial period under review.

DIRECTORS

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

Irina Kuznetsova – General Manager (Director)

During the year under review, there is no change in the composition of the Board of Directors.

STATEMENT OF DIRECTORS

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

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion

of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

ISSUE OF SHARES

The Company did not issued shares during the financial period under review.

HOLDING COMPANY

The Company is continued to be wholly owned subsidiary of Holiday Club Resorts Oy (HCR) and in turn of Covington S.a.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

COMPLIANCE

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

AUDITORS

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

Audit Company SPS LLC

ACKNOWLEDGEMENTS

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

Signed on behalf of the Board of Directors
of Holiday Club Resorts Rus LLC

Irina Kuznetsova
General Director

Place: St-Petersburg, Russia
Dated: 11.04.2017

AUDIT REPORT

To members, users of the accounting statements of «Holiday Club Resorts Rus» Limited Liability Company

Entity Subject to Audit:

«Holiday Club Resorts Rus» Limited Liability Company

- main registration number 506784705230 I
- location: 191186, Saint-Petersburg, Bolshaya Konyushennaya, 4-6-8

Audit Organization:

- Audit Company SPS, LLC
- main registration number 1 147847428684
- location: 197101., St. Petersburg, Mira, 3, of. 310
- member of the self-regulated auditors' organization NP Russian Collegium of Auditors
- number in the register of auditors and audit organisations (ORNZ): 1 1603076412

We have audited the enclosed accounting statements of «Holiday Club Resorts Rus» Limited Liability Company consisting of the Balance Sheet and Profit and Loss Account, Statement of changes in equity, Statement of cash flows as of December 31, 2016.

Responsibility of the Entity Subject to Audit for the Accounting Statements

The management of the entity subject to audit is responsible for the drawing-up and accuracy of the mentioned accounting statements in accordance with the established accounting rules and procedures, and for the internal control system necessary for the drawing up of accounts free of material misstatements as a result of negligent act or error.

Responsibility of the Auditor

Our responsibility is to express an opinion, based on our audit, on the reliability of the financial statements. We conducted

our audit in accordance with the federal standards for the audit activity. The said federal standards require adherence to established ethic rules, and planning the audit in such a way to obtain reasonable assurance about whether the financial (accounting) statements are free of material misstatement.

The audit included audit procedures aimed at audit findings supporting the numerical data in the accounting statements and disclosure of its information. The choice of audit procedures is a subject of our judgment based on the assessment of the risk of material misstatements made as a result of negligent act or error. While assessing the said risk, we examined the internal control system (securing the drawing-up and accuracy of the accounting statements) with the purpose of choosing the appropriate audit procedures and not expressing an opinion on efficiency of the internal control system.

Also the audit included assessment of appropriateness of the applied accounting policy and the reasonableness of the estimated figures obtained by the management of the entity subject to audit, as well as assessment of the accounting reporting overall.

We believe that the audit findings obtained in the course of audit provide sufficient basis for expressing an opinion on the reliability of the accounting statements.

The Opinion

In our opinion, the accounting statements of «Holiday Club Resorts Rus Limited Liability Company» reflect fairly, in all material respects, the financial situation of the company as of December 31, 2016 and the results of its financial and economic activity in accordance with established rules for accounting statements.

Director General of
Audit Company SPS, LLC

March 20, 2017

I. Y. Kochinskaya

BALANCE SHEET AS OF DECEMBER 31, 2016

Company	Holiday Club Resorts Rus LLC
Taxpayer's ID number	7801409574
Line of business	Rendering of intermediary services in purchasing, selling and renting of residential real estates
Form of incorporation/Form of ownership	Limited liability company/ ownership of a foreign entity
Location (address)	191186, Saint Petersburg, Bolshaya Konushennaya street 8, building 4-6-8

Notes Item	Code	As of December 31, 2016 thousand RUB	As of December 31, 2016 thousand Rs	As of December 31, 2015 thousand RUB	As of December 31, 2015 thousand Rs
ASSETS					
I. NON-CURRENT ASEETS					
Intangible assets	1110	-	-	-	-
Results of research and development ..	1120	-	-	-	-
Intangible development assets.....	1130	-	-	-	-
Tangible development assets.....	1140	-	-	-	-
Fixed assets	1150	-	-	-	-
Income-bearing investments in tangible assets	1160	-	-	-	-
Financial investments.....	1170	-	-	-	-
Deferred tax assets	1180	18,796	21,659	22,066	25,427
Other non-current assets.....	1190	-	-	-	-
Total section I	1100	18,796	21,659	22,066	25,427
II. CURRENT ASSETS					
Inventories	1210	-	-	-	-
Value-added tax on acquired assets.....	1220	3	3	6	7
Receivables	1230	4,333	4,993	237	273
Financial investments (except for monetary equivalents)	1240	-	-	-	-
Cash and cash equivalents	1250	4,821	5,555	19,126	22,039
Other current assets	1260	51	59	65	75
Total section II	1200	9,208	10,610	19,434	22,394
BALANCE	1600	28,004	32,269	41,500	47,821

Notes Item	Code	As of December 31, 2016 thousand RUB	As of December 31, 2016 thousand Rs	As of December 31, 2015 thousand RUB	As of December 31, 2015 thousand Rs
LIABILITIES					
III. EQUITY AND RESERVES					
Authorized capital	1310	300	346	300	346
Treasury stock.....	1320	-	-	-	-
Non-current asset revaluation	1340	-	-	-	-
Capital surplus (without revaluation).....	1350	-	-	-	-
Reserve capital.....	1360	-	-	-	-
Retained earnings.....	1370	(67,029)	(77,238)	(79,189)	(91,249)
Total section III	1300	(66,729)	(76,892)	(78,889)	(90,903)
IV. LONG-TERM LIABILITIES					
Loans	1410	-	-	-	-
Deferred tax liabilities.....	1420	-	-	-	-
Estimated liabilities	1430	-	-	-	-
Other liabilities.....	1450	-	-	-	-
Total section IV	1400	-	-	-	-
V. SHORT-TERM LIABILITIES					
Loans	1510	-	-	-	-
Payables	1520	94,000	108,316	119,856	138,110
Prepaid income.....	1530	-	-	-	-
Estimated liabilities	1540	733	845	533	614
Other liabilities	1550	-	-	-	-
Total section V	1500	94,733	109,161	120,389	138,724
BALANCE	1700	28,004	32,269	41,500	47,821

RUB amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 1.15 = 1 RUB which is the Bloomberg rate as on 31st March 2017

Director

(signature)

Kuznetsova Irina Sergeevna

(name)

April 11, 2017

FINANCIAL RESULTS STATEMENT FOR JANUARY - DECEMBER 2016

Company	Holiday Club Resorts Rus LLC
Taxpayer's ID number	7801409574
Line of business	Rendering of intermediary services in purchasing, selling and renting of residential real estates
Form of incorporation/Form of ownership	Limited liability company/ownership of a foreign entity

Notes Item	Code	January - December 2016 thousand RUB	January - December 2016 thousand Rs	January - December 2015 thousand RUB	January - December 2015 thousand Rs
Revenue	2110	11,877	13,686	9,279	10,692
Cost of sales	2120	-	-	-	-
Gross profit (loss)	2100	11,877	13,686	9,279	10,692
Commercial expenses	2210	-	-	-	-
Administrative expenses	2220	(18,813)	(21,678)	(20,787)	(23,953)
Sales profit (loss)	2200	(6,936)	(7,992)	(11,508)	(13,261)
Income from participation in other organizations	2310	-	-	-	-
Interest receivable	2320	571	658	168	194
Interest payable	2330	-	-	-	-
Other income	2340	38,334	44,172	37,974	43,757
Other expenses	2350	(16,538)	(19,057)	(57,694)	(66,481)
Profit (loss) before taxation	2300	15,431	17,781	(31,060)	(35,790)
Current profit tax	2410	-	-	-	-
including permanent tax liabilities (assets)	2421	(185)	(213)	(303)	(349)
Change in deferred tax liabilities	2430	-	-	-	-
Change in deferred tax assets	2450	(3,271)	(3,769)	5,909	6,809
Other	2460	-	-	-	-
Net profit (loss)	2400	<u>12,160</u>	<u>14,012</u>	<u>(25,151)</u>	<u>(28,981)</u>
FOR REFERENCE					
Revaluation of non-current assets not included in net profit (loss) for the period...	2510	-	-	-	-
Result of other transactions not included in net profit (loss) for the period	2520	-	-	-	-
Comprehensive financial result for the period	2500	12,160	14,012	(25,151)	(28,981)
Basic earnings (loss) per common share...	2900	-	-	-	-
Diluted earnings (loss) per common share	2910	-	-	-	-

RUB amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 1.15 = 1 RUB which is the Bloomberg rate as on 31st March 2017

Director

(signature)

Kuznetsova Irina Sergeevna

(name)

April 11, 2017

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period ended on March 31, 2017.

Operations/State of the Company's Affairs

The Company is primarily engaged in real estate agencies business.

The Company's Resort Property is located at Tampere, was fully operational.

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

Financial Highlights

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

During the period under review, the Company has earned a revenue of Euro 0 and Rs. 0 and made loss of Euro 906.08 (Rs. 62,755.10).

Dividends

No Dividend was proposed for the financial period under review.

Directors

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

- 1) Tapio Anttila, CEO, Chair of the Board of Directors
- 2) Iiro Rossi, board member
- 3) Riku Rauhala, board member

During the period under review, there is no change in the composition of the Board of Directors.

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion

of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is continued to be wholly owned subsidiary of Holiday Club Resorts Oy (HCR) and in turn of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

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

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Financial Statements as at March 31, 2017.

Acknowledgements

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

Signed on behalf of the Board of Directors
of Suomen Vapaa-aikakiinteistöt Oy

Tapio Anttila
CEO, Chair of the Board of Directors

Place : Tampere
Dated : April 24th, 2017

AUDITOR'S REPORT

To the Annual General Meeting of Suomen Vapaa-Aikakiinteistöt Oy LKV

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of **Suomen Vapaa-Aikakiinteistöt Oy LKV** (business identity code 2306829-4) for the period ended 31 March 2017. The financial statements comprise the balance sheet, income statement and notes.

In my opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

I conducted my audit in accordance with good auditing practice in Finland. My responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to my audit, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance on whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

I 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 I identify during my audit.

Nokkalankulma 7 B
02230 Espoo
FINLAND

Eero Suomela
Authorised Public Accountant, KHT

Place : Helsinki
Dated : 9 May 2017

ACCOUNTING PRINCIPLES

Valuation and amortisation principles and methods

Revenues and expenses are amortised on an accruals basis.

Valuation of non-current assets

Tangible and intangible assets

The company has no non-current assets on its balance sheet.

Current assets

Receivables and liabilities have been valued at the nominal value.

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 69.26 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

PROFIT AND LOSS STATEMENT

		Eur	Rs.	Eur	Rs.
	appendix	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016
TURNOVER		0.00	0.00	0.00	0.00
Other operating expenses	1	1,108.30	76,760.86	1,085.83	75,204.59
Profit(loss)		(1,108.30)	(76,760.86)	(1,085.83)	(75,204.59)
Financial income and expenses	2				
Interest income.....		12.37	856.75	335.60	23,243.66
Interest income from companies in the same Group.....		189.85	13,149.01		
Total financial income and expenses		202.22	14,005.76	335.60	23,243.66
Profit before appropriations and taxes		(906.08)	(62,755.10)	(750.23)	(51,960.93)
Profit/loss for the financial year		(906.08)	(62,755.10)	(750.23)	(51,960.93)

BALANCE SHEET

		Eur	Rs.	Eur	Rs.
	appendix	31.3.2017	31.3.2017	31.3.2016	31.3.2016
ASSETS					
CURRENT ASSETS					
Short-term receivables					
Short-term receivables	3	10,067.01	697,241.11	13,780.76	954,455.44
Total short-term receivables		10,067.01	697,241.11	13,780.76	954,455.44
Cash and cash equivalents					
Cash at bank		9,253.74	640,914.03	6,446.07	446,454.81
Total cash and cash equivalents		9,253.74	640,914.03	6,446.07	446,454.81
TOTAL CURRENT ASSETS		19,320.75	1,338,155.15	20,226.83	1,400,910.25
TOTAL ASSETS		19,320.75	1,338,155.15	20,226.83	1,400,910.25
LIABILITIES					
EQUITY					
Share capital	4	2,500.00	173,150.00	2,500.00	173,150.00
Profit(loss) from previous years		17,726.83	1,227,760.25	18,477.06	1,279,721.18
Profit(loss) for the financial year		(906.08)	(62,755.10)	(750.23)	(51,960.93)
TOTAL EQUITY		19,320.75	1,338,155.15	20,226.83	1,400,910.25
TOTAL LIABILITIES		19,320.75	1,338,155.15	20,226.83	1,400,910.25

NOTES TO THE FINANCIAL STATEMENTS

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.

Hitsaajankatu 22, 00810 Helsinki

Comparability of the previous financial year data

The reference figures used are from the 1.10.2014 - 31.3.2016 financial period, i.e. a eighteen-month period.

This shall be taken into account when comparing financial years.

NOTES TO THE PROFIT AND LOSS STATEMENT

1. OTHER OPERATING EXPENSES

	Eur	Rs.	Eur	Rs.
	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016
Other business expenses.....	1,108.30	76,760.86	1,085.83	75,204.59
Total	1,108.30	76,760.86	1,085.83	75,204.59

2. FINANCIAL INCOME AND EXPENSES

	Eur	Rs.	Eur	Rs.
	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016
Interest income from companies in the same Group.....	189.85	13,149.01	312.53	21,645.83
Other interest income.....	12.37	856.75	23.07	1,597.83
Total	202.22	14,005.76	335.60	23,243.66
Total financial income and expenses	202.22	14,005.76	335.60	23,243.66

NOTES TO THE BALANCE SHEET

ASSETS

CURRENT ASSETS RECEIVABLES

3. SHORT-TERM RECEIVABLES

	Eur	Rs.	Eur	Rs.
	31.3.2017	31.3.2017	31.3.2016	31.3.2016
Receivables from companies in the same Group.....	9,675.60	670,132.06	9,485.21	656,945.64
Accrued income.....	391.95	27,146.46	4,295.55	297,509.79
Total	10,067.55	697,278.51	13,780.76	954,455.44

LIABILITIES

4. EQUITY

	Eur	Rs.	Eur	Rs.
	31.3.2017	31.3.2017	31.3.2016	31.3.2016
Share capital 1.1.....	2,500.00	173,150.00	2,500.00	173,150.00
Share capital 31.3.	2,500.00	173,150.00	2,500.00	173,150.00
Profit/loss from prev. financial period	17,726.83	1,227,760.25	18,477.06	1,279,721.18
Profit/loss for the financial year.....	(906.08)	(62,755.10)	(750.23)	(51,960.93)
Total equity	19,320.75	1,338,155.15	20,226.83	1,400,910.25

Board of Directors proposal to process profit and loss for the previous financial year

The Board of Directors proposes to the Annual General Meeting that a loss of EUR 906.08 (Rs. 62,755.10) be transferred to the profit and loss account and that no dividends be distributed.

Company shares

There are 100 company shares. Each share confers the same right to dividends and company assets.

NOTES TO THE FINANCIAL STATEMENTS

	Eur 31.3.2017	Rs. 31.3.2017	Eur 31.3.2016	Rs. 31.3.2016
CALCULATION OF DISTRIBUTABLE FUNDS				
Profit/loss from the previous financial year	17,726.83	1,227,760.25	18,477.06	1,279,721.18
Profit/loss for the financial year	(906.08)	(62,755.10)	(750.23)	(51,960.93)
Total	16,820.75	1,165,005.15	17,726.83	1,227,760.25

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki, April 24th, 2017

Tapio Anttila
CEO
Chair of the Board of Directors

Iiro Rossi
board member

AUDITOR'S NOTE

A report of the audit has been submitted today.

Eero Suomela
KHT

Riku Rauhala
board member

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial Period commencing from April 1, 2016 and ended on March 31, 2017.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of other estate.

The Company's Resort Property is located at Helsinki, was fully operational.

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

Financial Highlights

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

During the period under review, the Company has earned a revenue of Euro 19,264.01 (RS 1,334,225.33) and made profit of Euro 13,800.10 (RS 955,794.93).

Dividends

No Dividend was proposed for the financial period under review.

Directors

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

- 1) Riku Rauhala
- 2) Anne Oravainen
- 3) Tapio Anttila

During the period under review, there is no change in the composition of the Board of Directors.

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction

or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is continued to be wholly owned subsidiary of Holiday Club Resorts Oy (HCR) and in turn of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

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

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Financial Statements as at March 31, 2017.

Acknowledgements

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

Signed on behalf of the Board of Directors
of Kiinteistö Oy Himoksen Tähti 2

Riku Rauhala
Chair of the Board of Directors

Place: Tampere
Dated: 24.04.2017

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Himoksen Tähti 2

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Kiinteistö Oy Himoksen Tähti 2 (business identity code 2419604-4) for the period ended 31 March 2017. The financial statements comprise the balance sheet, income statement and notes.

In my opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

I conducted my audit in accordance with good auditing practice in Finland. My responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to my audit, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance on whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

I 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 I identify during my audit.

Helsinki, 9th May, 2017

Eero Suomela

Authorised Public Accountant, KHT

Nokkalankulma 7B
02230 Espoo
FINLAND

ACCOUNTING PRINCIPLES

Valuation principles

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015).

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value.

Revenues and expenses are amortised on an accruals basis.

Comparability of the previous financial year data

The reference figures used are from the 1.10.2014 - 31.3.2016 financial period, i.e. a eighteenth-month period.

This shall be taken into account when comparing financial years.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.

Hitsaajankatu 22, 00810 Helsinki

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 69.26 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

PROFIT AND LOSS STATEMENT

	Eur	Rs.	Eur	Rs.
	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016
TURNOVER				
Land lease income.....	19,264.01	1,334,225.33	0.00	0.00
Total	19,264.01	1,334,225.33	0.00	0.00
Other property income	70.00	4,848.20	0.00	0.00
Property management expenses				
Administration.....	(1,211.05)	(83,877.32)	(829.81)	(57,472.64)
Property tax.....	(4,322.86)	(299,401.28)	(7,564.98)	(523,950.51)
Total	(5,533.91)	(383,278.61)	(8,394.79)	(581,423.16)
Profit(loss)	13,800.10	955,794.93	(8,394.79)	(581,423.16)
Financial income and expenses				
Interest income.....	0.00	0.00	0.41	28.40
Interest charges.....	0.00	0.00	(31.84)	(2,205.24)
Total financial income and expenses	0.00	0.00	(31.43)	(2,176.84)
Profit before appropriations and taxes	13,800.10	955,794.93	(8,426.22)	(583,600.00)
Profit/loss for the financial year	13,800.10	955,794.93	(8,426.22)	(583,600.00)

BALANCE SHEET

		Eur	Rs.	Eur	Rs.
	appendix	31.3.2017	31.3.2017	31.3.2016	31.3.2016
ASSETS					
NON-CURRENT ASSETS					
Tangible assets	1				
Land areas.....		662,628.72	45,893,665.15	662,628.72	45,893,665.15
Total tangible assets.....		662,628.72	45,893,665.15	662,628.72	45,893,665.15
TOTAL NON-CURRENT ASSETS.....		662,628.72	45,893,665.15	662,628.72	45,893,665.15
CURRENT ASSETS					
Short-term receivables					
Accrued income	2	551.43	38,192.04	0.00	0.00
Total short-term receivables.....		551.43	38,192.04	0.00	0.00
Cash and cash equivalents					
Cash at bank		21,376.58	1,480,541.93	8,127.91	562,939.05
Total cash and cash equivalents		21,376.58	1,480,541.93	8,127.91	562,939.05
TOTAL CURRENT ASSETS		21,928.01	1,518,733.97	8,127.91	562,939.05
TOTAL ASSETS		684,556.73	47,412,399.12	670,756.63	46,456,604.19
LIABILITIES					
EQUITY					
Share capital.....	3	2,500.00	173,150.00	2,500.00	173,150.00
Invested unrestricted equity fund.....		720,181.45	49,879,767.23	720,181.45	49,879,767.23
Profit(loss) from previous years.....		(53,005.51)	(3,671,161.62)	(44,579.29)	(3,087,561.63)
Profit(loss) for the financial year.....		13,800.10	955,794.93	(8,426.22)	(583,600.00)
TOTAL EQUITY		683,476.04	47,337,550.53	669,675.94	46,381,755.60
BORROWED CAPITAL					
Short-term borrowed capital					
Accruals and deferred income	4	1,080.69	74,848.59	1,080.69	74,848.59
Total short-term borrowed capital		1,080.69	74,848.59	1,080.69	74,848.59
TOTAL LIABILITIES.....		684,556.73	47,412,399.12	670,756.63	46,456,604.19

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1 Tangible assets

	Eur	Rs.
	Land areas	Land areas
Acquisition cost 1.4.	662,628.72	45,893,665.15
Acquisition cost 31.3.	662,628.72	45,893,665.15
Book value 31.3.	662,628.72	45,893,665.15

2 Short-term receivables

	Eur	Rs.	Eur	Rs.
	2017	2017	2016	2016
Accrued income.....	551.43	38,192.04	0.00	0.00
Total Short-term receivables	551.43	38,192.04	0.00	0.00

LIABILITIES

3 Equity

	Eur	Rs.	Eur	Rs.
	2017	2017	2016	2016
Share capital in the beginning of the year.....	2,500.00	173,150.00	2,500.00	173,150.00
Share capital in the end of the year	2,500.00	173,150.00	2,500.00	173,150.00
Invested unrestricted equity fund in the beginning of the year	720,181.45	49,879,767.23	710,691.21	49,222,473.20
Additions	0.00	0.00	9,490.24	657,294.02
Invested unrestricted equity fund in the end of the year	720,181.45	49,879,767.23	720,181.45	49,879,767.23
Profit/loss from prev. financial period	(53,005.51)	(3,671,161.62)	(44,579.29)	(3,087,561.63)
Profit/loss for the financial year.....	13,800.10	955,794.93	(8,426.22)	(583,600.00)
Total equity	683,476.04	47,337,550.53	669,675.94	46,381,755.60

4 Short-term borrowed capital

	Eur	Rs.	Eur	Rs.
	2017	2017	2016	2016
Accruals and deferred income.....	1,080.69	74,848.59	1,080.69	74,848.59
Total short-term borrowed capital	1,080.69	74,848.59	1,080.69	74,848.59

BREAKDOWN OF SHARE CAPITAL

	2017	Eur	2016	Eur
	No.		No.	
Eur				
1 vote/share	25	2,500.00	25	2,500.00
Total	25	2,500.00	25	2,500.00

	2017	Rs.	2016	Rs.
	No.		No.	
Rs.				
1 vote/share	25	173,150.00	25	173,150.00
Total	25	173,150.00	25	173,150.00

NOTES TO THE FINANCIAL STATEMENTS

OTHER COMMITMENTS

The property owned by the company (property identifier 182-40-4242-3) is encumbered by 8 mortgages of EUR 110,000.00 (Rs 7,618,600.00) each, totalling EUR 880,000.00 (Rs 60,948,800.00). The mortgage deeds are held by the City of Jämsä.

The Jämsä City Council is entitled to, upon application, to release from the lien a single building plot within the property after the final construction inspection of the building in question has been conducted. "Building plot" refers to individual holiday residences.

The company is hereby obligated to build on lot 182-40-4243-3 holiday residences, which are in compliance with the local detailed plan, municipal building ordinance and approved drawings, to such a degree of completion that the building inspection authority may conduct a final inspection in accordance with the Land Use and Building Act by 15 June 2016.

If the company fails to meet the completion commitments within the specified period of time, the parent company of said company shall be obligated to pay the City of Jämsä a contractual penalty of EUR 127,408.60 (Rs 8,824,319.64).

An extension for this was sought and one was granted by the City of Jämsä, the project must now be completed by 31 May 2018.

OTHER EASEMENTS

Easement agreement 1.

Plots included in the easement agreement

Servient plot 182-40-4242-2

Dominant plot 182-40-4242-3

Kiinteistö Oy Himoksen Tähti 2 and Kiinteistö Oy Koso

Road access on an area covered by a detailed plan.

Easement agreement 2.

Plots included in the easement agreement

Servient plot 182-40-4242-4

Dominant plot 182-40-4242-3

Kiinteistö Oy Himoksen Tähti 2 and The City of Jämsä

Road access on an area covered by a detailed plan.

Land lease agreements

Three land lease agreement encumber the plot no. 182-40-4242-3. The land lease agreements are made with three separate real estate companies. Kiinteistö Oy HC Villas Himos I and Kiinteistö Oy HC Villas Himos II have registered their land lease rights.

The land lease agreement with Kiinteistö Oy HC Villas Himos III has not been registered.

The land lease agreement with Kiinteistö Oy HC Villas Himos I is signed on 27 October 2015 and lease term is 50 years.

The land lease agreement with Kiinteistö Oy HC Villas Himos II is signed on 27 September 2016 and lease term is 50 years.

The land lease agreement with Kiinteistö Oy HC Villas Himos III is signed on 27 October 2015 and lease term is 50 years.

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR 13,800.10 (Rs 955,794.93). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki April 24th 2017

Riku Rauhala

Chair of the Board of Directors

Tapio Anttila

Board Member

Anne Oravainen

Board Member

AUDITOR'S NOTE

A report of the audit has been submitted today.

Eero Suomela

Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial Period commencing from April 1, 2016 and ended on March 31, 2017.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of other estate.

The Company's Resort Property is located at Helsinki, was fully operational.

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

Financial Highlights

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

During the period under review, the Company has earned a revenue of Euro 0 (RS 0) and made loss of Euro 1,897.21 (RS 131,400.76).

Dividends

No Dividend was proposed for the financial period under review.

Directors

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

- 1) Riku Rauhala
- 2) Anne Oravainen
- 3) Ilpo Antikainen

During the period under review, there is no change in the composition of the Board of Directors.

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction

or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is continued to be wholly owned subsidiary of Holiday Club Resorts Oy (HCR) and in turn of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

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

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Financial Statements as at March 31, 2017.

Acknowledgements

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

Signed on behalf of the Board of Directors
of Kiinteistö Oy Vanha Ykköstii

Riku Rauhala
Chair of the Board of Directors

Place : Tampere

Dated : 24.4.2017

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Vanha Ykköstii

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Kiinteistö Oy Vanha Ykköstii (business identity code 2425177-9) for the period ended 31 March 2017. The financial statements comprise the balance sheet, income statement and notes.

In my opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

I conducted my audit in accordance with good auditing practice in Finland. My responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to my audit, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance on whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

I 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 I identify during my audit.

Eero Suomela

Authorised Public Accountant, KHT

Place : Helsinki
Dated : 9th of May 2017

Nokkalankulma 7 B
02230 Espoo
FINLAND

ACCOUNTING PRINCIPLES

Valuation principles

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015).

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value.

Revenues and expenses are amortised on an accruals basis.

Comparability of the previous financial year data

The reference figures used are from the 1.10.2014 - 31.3.2016 financial period, i.e. a eighteenth-month period.

This shall be taken into account when comparing financial years.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.

Hitsaajankatu 22, 00810 Helsinki

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 69.26 = FC 1

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

PROFIT AND LOSS STATEMENT

	Eur	Rs.	Eur	Rs.
	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016
Property management expenses				
Administration.....	(1,236.59)	(85,646.22)	(814.69)	(56,425.43)
Property tax	(636.64)	(44,093.69)	(1,114.11)	(77,163.26)
Total	(1,873.23)	(129,739.91)	(1,928.80)	(133,588.69)
Profit(loss)	(1,873.23)	(129,739.91)	(1,928.80)	(133,588.69)
Financial income and expenses				
Interest income.....	0.00	0.00	0.04	2.77
Interest charges.....	(23.98)	(1,660.85)	(3.00)	(207.78)
Total financial income and expenses	(23.98)	(1,660.85)	(2.96)	(205.01)
Profit before appropriations and taxes	(1,897.21)	(131,400.76)	(1,931.76)	(133,793.70)
Profit/loss for the financial year	(1,897.21)	(131,400.76)	(1,931.76)	(133,793.70)

BALANCE SHEET

	appendix	Eur 31-03-2017	Rs. 31-03-2017	Eur 31-03-2016	Rs. 31-03-2016
ASSETS					
NON-CURRENT ASSETS					
Tangible assets	1				
Land areas.....		52,142.00	3,611,354.92	52,142.00	3,611,354.92
Total tangible assets.....		52,142.00	3,611,354.92	52,142.00	3,611,354.92
TOTAL NON-CURRENT ASSETS.....		52,142.00	3,611,354.92	52,142.00	3,611,354.92
CURRENT ASSETS					
Short-term receivables					
Cash and cash equivalents					
Cash at bank.....		1,929.59	133,643.40	307.82	21,319.61
Total cash and cash equivalents.....		1,929.59	133,643.40	307.82	21,319.61
TOTAL CURRENT ASSETS.....		1,929.59	133,643.40	307.82	21,319.61
TOTAL ASSETS.....		54,071.59	3,744,998.32	52,449.82	3,632,674.53
LIABILITIES					
EQUITY					
Invested unrestricted equity fund.....	2	59,962.15	4,152,978.51	56,443.17	3,909,253.95
Profit(loss) from previous years.....		(6,652.50)	(460,752.15)	(4,720.74)	(326,958.45)
Profit(loss) for the financial year.....		(1,897.21)	(131,400.76)	(1,931.76)	(133,793.70)
TOTAL EQUITY.....		53,912.44	3,733,975.59	52,290.67	3,621,651.80
BORROWED CAPITAL					
Short-term borrowed capital					
Accruals and deferred income.....	3	159.15	11,022.73	159.15	11,022.73
Total short-term borrowed capital.....		159.15	11,022.73	159.15	11,022.73
TOTAL LIABILITIES.....		54,071.59	3,744,998.32	52,449.82	3,632,674.53

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1 Tangible assets

	Eur	Rs.
	Land areas	Land areas
Acquisition cost 1.4.	52,142.00	3,611,354.92
Acquisition cost 31.3.	52,142.00	3,611,354.92
Book value 31.3.	52,142.00	3,611,354.92

2 LIABILITIES

	Eur	Rs.	Eur	Rs.
	2017	2017	2016	2016
EQUITY				
Share capital in the beginning of the year	2,500.00	173,150.00	2,500.00	173,150.00
Share capital in the end of the year	2,500.00	173,150.00	2,500.00	173,150.00
Invested unrestricted equity fund in the beginning of the year	56,443.17	3,909,253.95	56,443.17	3,909,253.95
Additions	3,518.98	243,724.55	0.00	0.00
Invested unrestricted equity fund in the end of the year	59,962.15	4,152,978.51	56,443.17	3,909,253.95
Profit/loss from prev. financial period	(6,652.50)	(460,752.15)	(4,720.74)	(326,958.45)
Profit/loss for the financial year.....	(1,897.21)	(131,400.76)	(1,931.76)	(133,793.70)
Total equity	53,912.44	3,733,975.59	52,290.67	3,621,651.80

3 Short-term borrowed capital

	Eur	Rs.	Eur	Rs.
	2017	2017	2016	2016
Accruals and deferred income.....	159.15	11,022.73	159.15	11,022.73
Total short-term borrowed capital	159.15	11,022.73	159.15	11,022.73

BREAKDOWN OF SHARE CAPITAL

	2017		2016	
Eur	No.	Eur	No.	Eur
1 vote/share	25.00	2,500.00	25.00	2,500.00
Total	25.00	2,500.00	25.00	2,500.00

	2017		2016	
Rs.	No.	Rs.	No.	Rs.
1 vote/share	25.00	173,150.00	25.00	173,150.00
Total	25.00	173,150.00	25.00	173,150.00

NOTES TO THE FINANCIAL STATEMENTS

OTHER NOTES

PERPETUAL EASEMENTS, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

The company-owned area (765-401-2-294) encumbers the land lease agreement signed on 28 June 2011.

The lease term is 50 years.

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR 1,897.21 (Rs 131,400.76). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki April 24th 2017

Riku Rauhala
Chair of the Board of Directors

Anne Oravainen
Board Member

Ilpo Antikainen
Board Member and CEO

AUDITOR'S NOTE

A report of the audit has been submitted today.

Eero Suomela
Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial Period commencing from April 1, 2016 and ended on March 31, 2017.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of other estate.

The Company's Resort Property is located at Helsinki, was fully operational.

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

Financial Highlights

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

During the period under review, the Company has earned a revenue of Euro 0 (RS 0) and made loss of Euro 1,207.95 (RS 83,662.62).

Dividends

No Dividend was proposed for the financial period under review.

Directors

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

- 1) Riku Rauhala
- 2) Anne Oravainen
- 3) Tapio Anttila
- 4) Ilpo Antikainen

During the period under review, there is no change in the composition of the Board of Directors.

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction

or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is continued to be wholly owned subsidiary of Holiday Club Resorts Oy (HCR) and in turn of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

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

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Financial Statements as at March 31, 2017.

Acknowledgements

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

Signed on behalf of the Board of Directors
of Kiinteistö Oy Katinnurkka

Riku Rauhala
Chair of the Board of Directors

Place : Tampere
Dated : 24.4.2017

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Katinnurkka

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Kiinteistö Oy Katinnurkka (business identity code 2444096-7) for the period ended 31 March 2017. The financial statements comprise the balance sheet, income statement and notes.

In my opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

I conducted my audit in accordance with good auditing practice in Finland. My responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to my audit, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance on whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

I 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 I identify during my audit.

Helsinki, 9 May 2017

EeroSuomela
Authorised Public Accountant, KHT

Nokkalankulma 7 B
02230 Espoo
FINLAND

ACCOUNTING PRINCIPLES

Valuation principles

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015).

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value.

Revenues and expenses are amortised on an accruals basis.

Comparability of the previous financial year data

The reference figures used are from the 1.10.2014 - 31.3.2016 financial period, i.e. a eighteenth-month period.

This shall be taken into account when comparing financial years.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.

Hitsaajankatu 22, 00810 Helsinki

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 69.26 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

PROFIT AND LOSS STATEMENT

	Eur	Rs.	Eur	Rs.
	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016
Property management expenses				
Administration.....	(1,141.72)	(79,075.53)	(877.56)	(60,779.81)
Property tax.....	(66.23)	(4,587.09)	(42.20)	(2,922.77)
Total	<u>(1,207.95)</u>	<u>(83,662.62)</u>	<u>(919.76)</u>	<u>(63,702.58)</u>
Profit(loss)	(1,207.95)	(83,662.62)	(919.76)	(63,702.58)
Financial income and expenses				
Interest charges.....	0.00	0.00	(3.00)	(207.78)
Total financial income and expenses	<u>0.00</u>	<u>0.00</u>	<u>(3.00)</u>	<u>(207.78)</u>
Profit before appropriations and taxes	<u>(1,207.95)</u>	<u>(83,662.62)</u>	<u>(922.76)</u>	<u>(63,910.36)</u>
Profit/loss for the financial year	<u>(1,207.95)</u>	<u>(83,662.62)</u>	<u>(922.76)</u>	<u>(63,910.36)</u>

BALANCE SHEET

	appendix	Eur 31.3.2017	Rs. 31.3.2017	Eur 31.3.2016	Rs. 31.3.2016
ASSETS					
NON-CURRENT ASSETS					
Tangible assets	1				
Land areas.....		307,229.00	21,278,680.54	307,958.00	21,329,171.08
Total tangible assets.....		307,229.00	21,278,680.54	307,958.00	21,329,171.08
TOTAL NON-CURRENT ASSETS.....		307,229.00	21,278,680.54	307,958.00	21,329,171.08
CURRENT ASSETS					
Short-term receivables					
Cash and cash equivalents					
Cash at bank.....		1,466.92	101,598.88	1,421.84	98,476.64
Total cash and cash equivalents.....		1,466.92	101,598.88	1,421.84	98,476.64
TOTAL CURRENT ASSETS.....		1,466.92	101,598.88	1,421.84	98,476.64
TOTAL ASSETS.....		308,695.92	21,380,279.42	309,379.84	21,427,647.72
LIABILITIES					
EQUITY					
Share capital.....	2	2,500.00	173,150.00	2,500.00	173,150.00
Invested unrestricted equity fund.....		316,541.01	21,923,630.35	316,041.01	21,889,000.35
Profit(loss) from previous years.....		(9,161.17)	(634,502.63)	(8,238.41)	(570,592.28)
Profit(loss) for the financial year.....		(1,207.95)	(83,662.62)	(922.76)	(63,910.36)
TOTAL EQUITY.....		308,671.89	21,378,615.10	309,379.84	21,427,647.72
Short-term borrowed capital					
Other current liabilities.....	3	24.03	1,664.32	0.00	0.00
Total short-term borrowed capital.....		24.03	1,664.32	0.00	0.00
TOTAL LIABILITIES.....		308,695.92	21,380,279.42	309,379.84	21,427,647.72

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1 Tangible assets

	Eur	Rs.
	Land areas	Land areas
Acquisition cost 1.10.2014	307,958.00	21,329,171.08
Deduction.....	1,000.00	69,260.00
Additions	271.00	18,769.46
Acquisition cost 31.3.2016	307,229.00	21,278,680.54
Book value 31.3.2016	307,229.00	21,278,680.54

2 LIABILITIES

	Eur 2017	Rs. 2017	Eur 2016	Rs. 2016
EQUITY				
Share capital in the beginning of the year.....	2,500.00	173,150.00	2,500.00	173,150.00
Share capital in the end of the year	2,500.00	173,150.00	2,500.00	173,150.00
Invested unrestricted equity fund in the beginning of the year	316,041.01	21,889,000.35	316,041.01	21,889,000.35
Additions	500.00	34,630.00	0.00	0.00
Invested unrestricted equity fund in the end of the year	316,541.01	21,923,630.35	316,041.01	21,889,000.35
Profit/loss from prev. financial period 1.10.....	(9,161.17)	(634,502.63)	(8,238.41)	(570,592.28)
Profit/loss for the financial year.....	(1,207.95)	(83,662.62)	(922.76)	(63,910.36)
Total equity	308,671.89	21,378,615.10	309,379.84	21,427,647.72

3 Borrowed capital

	2017	2016
Accruals and deferred income.....	24.03	135.00
Total borrowed capital	24.03	135.00

BREAKDOWN OF SHARE CAPITAL

	2017		2016	
Eur	No.	Eur	No.	Eur
1 vote/share	25.00	2,500.00	25.00	2,500.00
Total	25.00	2,500.00	25.00	2,500.00

	2017		2016	
Rs.	No.	Rs.	No.	Rs.
1 vote/share	25.00	173,150.00	25.00	173,150.00
Total	25.00	173,150.00	25.00	173,150.00

NOTES TO THE FINANCIAL STATEMENTS

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR 1,207.95 (Rs. 83,662.62). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki, April 24th 2017

Riku Rauhala
Chair of the Board of Directors

Tapio Anttila
Board member

Anne Oravainen
Board member

Ilpo Antikainen
CEO

AUDITOR'S NOTE

A report of the audit has been submitted today.

Eero Suomela
Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial Period commencing from April 1, 2016 and ended on March 31, 2017.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of other estate.

The Company's Resort Property is located at Helsinki, was fully operational.

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

Financial Highlights

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

During the period under review, the Company has earned a revenue of Euro 0 (RS 0) and made loss of Euro 1,261.45 (RS 87,368.03).

Dividends

No Dividend was proposed for the financial period under review.

Directors

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

- 1) Riku Rauhala
- 2) Anne Oravainen
- 3) Tapio Anttila
- 4) Ilpo Antikainen

During the period under review, there is no change in the composition of the Board of Directors.

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction

or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is continued to be wholly owned subsidiary of Holiday Club Resorts Oy (HCR) and in turn of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

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

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Financial Statements as at March 31, 2017.

Acknowledgements

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

Signed on behalf of the Board of Directors
of Kiinteistö Oy Tenetinlahti

Riku Rauhala
Chair of the Board of Directors

Place: Tampere
Dated: 24.4.2017

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Tenetinlahti

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Kiinteistö Oy Tenetinlahti (business identity code 2455539-3) for the period ended 31 March 2017. The financial statements comprise the balance sheet, income statement and notes.

In my opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

I conducted my audit in accordance with good auditing practice in Finland. My responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to my audit, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance on whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

I 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 I identify during my audit.

Helsinki, 9 May, 2017

Eero Suomela
Authorised Public Accountant, KHT

Nokkalankulma 7 B
02230 Espoo
Finland

PROFIT AND LOSS STATEMENT

	Eur	Rs.	Eur	Rs.
	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016
Property management expenses				
Administration	(1,128.77)	(78,178.61)	(782.74)	(54,212.57)
Property tax	(124.51)	(8,623.56)	(155.62)	(10,778.24)
Total	(1,253.28)	(86,802.17)	(938.36)	(64,990.81)
Profit(loss)	(1,253.28)	(86,802.17)	(938.36)	(64,990.81)
Financial income and expenses				
Interest income	0.00	0.00	0.00	0.00
Interest charges	(8.17)	(565.85)	(3.00)	(207.78)
Total financial income and expenses	(8.17)	(565.85)	(3.00)	(207.78)
Profit before appropriations and taxes	(1,261.45)	(87,368.03)	(941.36)	(65,198.59)
Profit/loss for the financial year	(1,261.45)	(87,368.03)	(941.36)	(65,198.59)

BALANCE SHEET

	appendix	Eur 31.3.2017	Rs. 31.3.2017	Eur 31.3.2016	Rs. 31.3.2016
ASSETS					
NON-CURRENT ASSETS					
Tangible assets	1				
Land areas		108,666.66	7,526,252.87	108,666.66	7,526,252.87
Total tangible assets		108,666.66	7,526,252.87	108,666.66	7,526,252.87
TOTAL NON-CURRENT ASSETS		108,666.66	7,526,252.87	108,666.66	7,526,252.87
CURRENT ASSETS					
Short-term receivables					
Cash and cash equivalents					
Cash at bank		1,479.64	102,479.87	1,002.92	69,462.24
Total cash and cash equivalents		1,479.64	102,479.87	1,002.92	69,462.24
TOTAL CURRENT ASSETS		1,479.64	102,479.87	1,002.92	69,462.24
TOTAL ASSETS		110,146.30	7,628,732.74	109,669.58	7,595,715.11
LIABILITIES					
EQUITY					
Share capital	2	2,500.00	173,150.00	2,500.00	173,150.00
Invested unrestricted equity fund		115,412.28	7,993,454.51	113,674.11	7,873,068.86
Profit(loss) from previous years		(6,535.64)	(452,658.43)	(5,594.28)	(387,459.83)
Profit(loss) for the financial year		(1,261.45)	(87,368.03)	(941.36)	(65,198.59)
TOTAL EQUITY		110,115.19	7,626,578.06	109,638.47	7,593,560.43
BORROWED CAPITAL					
Short-term borrowed capital					
Accruals and deferred income	3	31.11	2,154.68	31.11	2,154.68
Total short-term borrowed capital		31.11	2,154.68	31.11	2,154.68
TOTAL LIABILITIES		110,146.30	7,628,732.74	109,669.58	7,595,715.11

ACCOUNTING PRINCIPLES

Valuation principles

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015).

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value. Revenues and expenses are amortised on an accruals basis.

Comparability of the previous financial year data

The reference figures used are from the 1.10.2014 – 31.3.2016 financial period, i.e. a eighteenth-month period. This shall be taken into account when comparing financial years.

The company belongs to the Holiday Club Resorts Oy group . The parent company is Holiday Club Resorts Oy. Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters. Hitsajankatu 22, 00810 Helsinki

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 69.26 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1. Tangible assets

	Eur	Rs.
	Land areas	Land areas
Acquisition cost 1.4.	108,666.66	7,526,252.87
Acquisition cost 31.3.	108,666.66	7,526,252.87
Book value 31.3.	108,666.66	7,526,252.87

2. Liabilities

	Eur 2017	Rs. 2017	Eur 2016	Rs. 2016
EQUITY				
Share capital in the beginning of the year.....	2,500.00	173,150.00	2,500.00	173,150.00
Share capital in the end of the year.....	2,500.00	173,150.00	2,500.00	173,150.00
Invested unrestricted equity fund in the beginning of the year.....	113,674.11	7,873,068.86	113,674.11	7,873,068.86
Additions	1,738.17	120,385.65	0.00	0.00
Invested unrestricted equity fund in the end of the year.....	115,412.28	7,993,454.51	113,674.11	7,873,068.86
Profit/loss from prev. financial period 1.10.	(6,535.64)	(452,658.43)	(5,594.28)	(387,459.83)
Profit/loss for the financial year.....	(1,261.45)	(87,368.03)	(941.36)	(65,198.59)
Total equity	110,115.19	7,626,578.06	109,638.47	7,593,560.43

3. Short-term borrowed capital

	2017 Eur	2017 Rs.	2016 Eur	2016 Rs.
Accruals and deferred income.....	31.11	2,154.68	31.11	2,154.68
Total short-term borrowed capital.....	31.11	2,154.68	31.11	2,154.68

BREAKDOWN OF SHARE CAPITAL

	2017		2016	
Eur	No.	Eur	No.	Eur
1 vote/share.....	25.00	2,500.00	25.00	2,500.00
Total	25.00	2,500.00	25.00	2,500.00

	2017		2016	
Rs.	No.	Rs.	No.	Rs.
1 vote/share.....	25.00	173,150.00	25.00	173,150.00
Total	25.00	173,150.00	25.00	173,150.00

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR 1,261.45 (Rs. 87,368.03). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS
DATE AND SIGNATURES

Helsinki April 24, 2017

Riku Rauhala
Chair of the Board of Director

Tapio Anttila
Board Member

Anne Oravainen
Board Member

Ilpo Antikainen
CEO

AUDITOR'S NOTE

A report of the audit has been submitted today.

Eero Suomela
Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial Period commencing from April 1, 2016 and ended on March 31, 2017.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of other estate.

The Company's Resort Property is located at Sotkamo, was fully operational.

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

Financial Highlights

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

During the period under review, the Company has earned a revenue of Euro 3,802.63 (RS 263,370.15) and made profit of Euro 1,751.13 (RS 121,283.26).

Dividends

No Dividend was proposed for the financial period under review.

Directors

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

- 1) Tapio Anttila
- 2) Anne Oravainen
- 3) Riku Rauhala
- 4) Ilpo Antikainen

During the period under review, there is no change in the composition of the Board of Directors.

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion

of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is continued to be wholly owned subsidiary of Holiday Club Resorts Oy (HCR) and in turn of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

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

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Financial Statements as at March 31, 2017.

Acknowledgements

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

Signed on behalf of the Board of Directors
of Kiinteistö Oy Mällösniemi

Tapio Anttila
Chair of the Board of Directors

Place : Tampere
Dated : 24.4.2017

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Mällösniemi

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Kiinteistö Oy Mällösniemi (business identity code 1765304-0) for the period ended 31 March 2017. The financial statements comprise the balance sheet, income statement and notes.

In my opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

I conducted my audit in accordance with good auditing practice in Finland. My responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to my audit, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance on whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

I 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 I identify during my audit.

Eero Suomela

Authorised Public Accountant, KHT

Nokkalankulma 7 B
02230 Espoo
FINLAND

Place : Helsinki
Dated : 9 May 2017

ACCOUNTING PRINCIPLES

Valuation principles

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015).

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value.

Revenues and expenses are amortised on an accruals basis.

Comparability of the previous financial year data

The reference figures used are from the 1.1.2015 - 31.3.2016 financial period, i.e. a fifteen-month period.

This shall be taken into account when comparing financial years.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.

Hitsaajankatu 22, 00810 Helsinki

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 69.26 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

PROFIT AND LOSS STATEMENT

	Eur	Rs.	Eur	Rs.
appendix	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.1.2015- 31.3.2016	1.1.2015- 31.3.2016
TURNOVER				
Considerations.....	3,802.63	263,370.15	8,316.00	575,966.16
Total	<u>3,802.63</u>	<u>263,370.15</u>	<u>8,316.00</u>	<u>575,966.16</u>
Depreciation				
	1			
Machines and equipment	0.00	0.00	0.00	0.00
Impairments from non-current assets	0.00	0.00	(522,805.78)	(36,209,528.32)
Total	<u>0.00</u>	<u>0.00</u>	<u>(522,805.78)</u>	<u>(36,209,528.32)</u>
Property management expenses				
Administration.....	(2,180.00)	(150,986.80)	(1,250.74)	(86,626.25)
Operation and maintenance	0.00	0.00	(114.10)	(7,902.57)
Cleaning.....	0.00	0.00	(651.27)	(45,106.96)
Water and sewage	0.00	0.00	206.06	14,271.72
Electricity.....	0.00	0.00	(5,290.23)	(366,401.33)
Waste management	0.00	0.00	(111.34)	(7,711.41)
Indemnity insurance	(248.91)	(17,239.51)	(651.76)	(45,140.90)
Rents.....	(833.38)	(57,719.90)	(10,638.65)	(736,832.90)
Property tax	(216.50)	(14,994.79)	(2,594.16)	(179,671.52)
Repairs.....	(573.87)	(39,746.24)	(5,993.18)	(415,087.65)
Other expenses	0.00	0.00	(1,814.12)	(125,645.95)
Total	<u>(4,052.66)</u>	<u>(280,687.23)</u>	<u>(28,903.49)</u>	<u>(2,001,855.72)</u>
Profit(loss)	(250.03)	(17,317.08)	(543,393.27)	(37,635,417.88)
Financial income and expenses				
Interest income.....	2,004.16	138,808.12	1,301.74	90,158.51
Interest charges.....	(3.00)	(207.78)	(61.68)	(4,271.96)
Total financial income and expenses	<u>2,001.16</u>	<u>138,600.34</u>	<u>1,240.06</u>	<u>85,886.56</u>
Profit/loss before extraordinary items	1,751.13	121,283.26	(542,153.21)	(37,549,531.32)
Profit before appropriations and taxes	1,751.13	121,283.26	(542,153.21)	(37,549,531.32)
Profit/loss for the financial year	1,751.13	121,283.26	(542,153.21)	(37,549,531.32)

BALANCE SHEET

		Eur	Rs.	Eur	Rs.
	appendix	31.3.2017	31.3.2017	31.3.2016	31.3.2016
ASSETS					
NON-CURRENT ASSETS					
Tangible assets	2				
Buildings and structures		200,000.00	13,852,000.00	200,000.00	13,852,000.00
Machines and equipment		5,000.00	346,300.00	5,000.00	346,300.00
Total tangible assets		<u>205,000.00</u>	<u>14,198,300.00</u>	<u>205,000.00</u>	<u>14,198,300.00</u>
TOTAL NON-CURRENT ASSETS		205,000.00	14,198,300.00	205,000.00	14,198,300.00
CURRENT ASSETS					
Short-term receivables	3				
Accounts receivable		3,802.63	263,370.15	0.00	0.00
Receivables from companies in the same Group.....		94,543.59	6,548,089.04	95,548.16	6,617,665.56
Accrued income		749.97	51,942.92	0.00	0.00
Total short-term receivables		99,096.19	6,863,402.12	95,548.16	6,617,665.56
Cash and cash equivalents					
Cash at bank		35,795.25	2,479,179.02	27.62	1,912.96
Total cash and cash equivalents		35,795.25	2,479,179.02	27.62	1,912.96
TOTAL CURRENT ASSETS		<u>134,891.44</u>	<u>9,342,581.13</u>	<u>95,575.78</u>	<u>6,619,578.52</u>
TOTAL ASSETS		<u>339,891.44</u>	<u>23,540,881.13</u>	<u>300,575.78</u>	<u>20,817,878.52</u>
LIABILITIES					
EQUITY					
Share capital	4	9,000.00	623,340.00	9,000.00	623,340.00
Building fund		836,372.70	57,927,173.20	836,372.70	57,927,173.20
Profit(loss) from previous years		(545,732.39)	(37,797,425.33)	(3,579.18)	(247,894.01)
Profit(loss) for the financial year		1,751.13	121,283.26	(542,153.21)	(37,549,531.32)
TOTAL EQUITY		<u>301,391.44</u>	<u>20,874,371.13</u>	<u>299,640.31</u>	<u>20,753,087.87</u>
BORROWED CAPITAL					
Short-term borrowed capital	5				
Trade payables		1,000.00	69,260.00	0.00	0.00
Accruals and deferred income		37,500.00	2,597,250.00	935.47	64,790.65
Total short-term borrowed capital		38,500.00	2,666,510.00	935.47	64,790.65
TOTAL LIABILITIES		<u>339,891.44</u>	<u>23,540,881.13</u>	<u>300,575.78</u>	<u>20,817,878.52</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE PROFIT AND LOSS STATEMENT

1. DEPRECIATION AND IMPAIRMENTS

	Eur 2017	Rs. 2017	Eur 2016	Rs. 2016
Machines and equipment.....	0.00	0.00	0.00	0.00
Impairments from non-current assets.....	0.00	0.00	522,805.78	36,209,528.32
TOTAL.....	0.00	0.00	522,805.78	36,209,528.32

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

2. TANGIBLE ASSETS

Eur	Buildings and structures	Machines and equipment	Total
Acquisition cost 1.4.	200,000.00	5,000.00	205,000.00
Additions	0.00	0.00	0.00
Acquisition cost 31.3.	200,000.00	5,000.00	205,000.00
Accumulated depreciation 1.4.	0.00	0.00	0.00
Depreciation for the financial year	0.00	0.00	0.00
Impairments	0.00	0.00	0.00
Book value 31.3.	200,000.00	5,000.00	205,000.00

Rs.	Buildings and structures	Machines and equipment	Total
Acquisition cost 1.4.	13,852,000.00	346,300.00	14,198,300.00
Additions	0.00	0.00	0.00
Acquisition cost 31.3.	13,852,000.00	346,300.00	14,198,300.00
Accumulated depreciation 1.4.	0.00	0.00	0.00
Depreciation for the financial year	0.00	0.00	0.00
Impairments	0.00	0.00	0.00
Book value 31.3.	13,852,000.00	346,300.00	14,198,300.00

CURRENT ASSETS

RECEIVABLES

3. SHORT-TERM RECEIVABLES

	Eur 2017	Rs. 2017	Eur 2016	Rs. 2016
Accounts receivable	3,802.63	263,370.15	0.00	0.00
Receivables from companies in the same Group.....	94,543.59	6,548,089.04	95,548.16	6,617,665.56
Other accrued income.....	749.97	51,942.92	0.00	0.00
TOTAL.....	99,096.19	6,863,402.12	95,548.16	6,617,665.56

NOTES TO THE FINANCIAL STATEMENTS

4. LIABILITIES

	Eur	Rs.	Eur	Rs.
	2017	2017	2016	2016
EQUITY				
Share capital in the beginning of the year.....	9,000.00	623,340.00	9,000.00	623,340.00
Share capital in the end of the year	9,000.00	623,340.00	9,000.00	623,340.00
Building fund in the beginning of the year.....	836,372.70	57,927,173.20	836,372.70	57,927,173.20
Building fund in the end of the year	836,372.70	57,927,173.20	836,372.70	57,927,173.20
Profit/loss from prev. financial period	(545,732.39)	(37,797,425.33)	(3,579.18)	(247,894.01)
Profit/loss for the financial year.....	1,751.13	121,283.26	(542,153.21)	(37,549,531.32)
Total equity	301,391.44	20,874,371.13	299,640.31	20,753,087.87

The company has no distributable assets

5. SHORT-TERM BORROWED CAPITAL

	Eur	Rs.	Eur	Rs.
	2017	2017	2016	2016
Trade payables	1,000.00	69,260.00	0.00	0.00
Accruals and deferred income.....	37,500.00	2,597,250.00	935.47	64,790.65
Total borrowed capital	38,500.00	2,666,510.00	935.47	64,790.65

BREAKDOWN OF SHARE CAPITAL

	2017		2016	
Eur	No.	Eur	No.	Eur
1 vote/share	45.00	9,000.00	45.00	9,000.00
Total	45.00	9,000.00	45.00	9,000.00

	2017		2016	
Rs.	No.	Rs.	No.	Rs.
1 vote/share	45.00	623,340.00	45.00	623,340.00
Total	45.00	623,340.00	45.00	623,340.00

OTHER NOTES

PERPETUAL EASEMENTS, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

The company-owned area (765-401-2-394) encumbers the land lease agreement signed on 20 October 2015.

The lease term is 50 years.

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Profit for the financial year EUR 1,751.13 (Rs. 121,283.26). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

Helsinki, April 24th, 2017

AUDITOR'S NOTE

A report of the audit has been submitted today.

Tapio Anttila
Chair of the Board of Directors

Riku Rauhala
Board Member

Anne Oravainen
Board Member

Ilpo Antikainen
CEO

Eero Suomela
Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial Period commencing from April 1, 2016 and ended on March 31, 2017.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of other estate.

The Company's Resort Property is located at Helsinki, was fully operational.

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

Financial Highlights

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

During the period under review, the Company has earned a revenue of Euro 0 (RS 0) and made loss of Euro 1,606.32 (RS 111,253.72).

Dividends

No Dividend was proposed for the financial period under review.

Directors

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

- 1) Riku Rauhala
- 2) Anne Oravainen
- 3) Tapio Anttila

During the period under review, there is no change in the composition of the Board of Directors.

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion

of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is continued to be wholly owned subsidiary of Holiday Club Resorts Oy (HCR) and in turn of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

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

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Financial Statements as at March 31, 2017.

Acknowledgements

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

Signed on behalf of the Board of Directors
of Kiinteistö Oy Rauhan Ranta 1

Riku Rauhala
Chair of the Board of Directors

Place : Tampere
Dated : 24.4.2017

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteisto Oy Rauhan Ranta 1
Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Kiinteisto Oy Rauhan Ranta 1 (business identity code 2145035-0) for the period ended 31 March 2017. The financial statements comprise the balance sheet, income statement and notes.

In my opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

I conducted my audit in accordance with good auditing practice in Finland. My responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to my audit, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance on whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

I 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 I identify during my audit.

Helsinki, 9 May 2017

Eero Suomela
Authorised Public Accountant, KHT

Nokkalankulma 7 B
 02230 Espoo
 FINLAND

ACCOUNTING PRINCIPLES

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015)

Valuation principles

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value.

Revenues and expenses are amortised on an accruals basis.

Comparability of the previous financial year data

The reference figures used are from the 1.10.2014 - 31.3.2016 financial period, i.e. a eighteenth-month period. This shall be taken into account when comparing financial years.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy. Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters. Hitsaajankatu 22, 00810 Helsinki

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 69.26 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

PROFIT AND LOSS STATEMENT

	Eur	Rs.	Eur	Rs.
	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016
Property management expenses				
Administration	(1,274.80)	(88,292.65)	(988.35)	(68,453.12)
Outdoor area management	0.00	0.00	(2,976.00)	(206,117.76)
Property tax	(291.69)	(20,202.45)	0.00	0.00
Total	<u>(1,566.49)</u>	<u>(108,495.10)</u>	<u>(3,964.35)</u>	<u>(274,570.88)</u>
Profit(loss).....	(1,566.49)	(108,495.10)	(3,964.35)	(274,570.88)
Financial income and expenses				
Interest income.....	0.00	0.00	0.31	21.47
Interest charges.....	(39.83)	(2,758.63)	0.00	0.00
Total financial income and expenses	<u>(39.83)</u>	<u>(2,758.63)</u>	<u>0.31</u>	<u>21.47</u>
Profit before appropriations and taxes.....	<u>(1,606.32)</u>	<u>(111,253.72)</u>	<u>(3,964.04)</u>	<u>(274,549.41)</u>
Profit/loss for the financial year	<u>(1,606.32)</u>	<u>(111,253.72)</u>	<u>(3,964.04)</u>	<u>(274,549.41)</u>

BALANCE SHEET

		Eur	Rs	Eur	Rs
		31.3.2017	31.3.2017	31.3.2016	31.3.2016
ASSETS					
NON-CURRENT ASSETS					
Tangible assets					
Land areas.....	1	124,800.00	8,643,648.00	124,800.00	8,643,648.00
Total tangible assets.....		124,800.00	8,643,648.00	124,800.00	8,643,648.00
TOTAL NON-CURRENT ASSETS.....		124,800.00	8,643,648.00	124,800.00	8,643,648.00
CURRENT ASSETS					
Short-term receivables					
Cash and cash equivalents					
Cash at bank.....		3,112.27	215,555.82	1,289.48	89,309.38
Total cash and cash equivalents.....		3,112.27	215,555.82	1,289.48	89,309.38
TOTAL CURRENT ASSETS.....		3,112.27	215,555.82	1,289.48	89,309.38
TOTAL ASSETS.....		127,912.27	8,859,203.82	126,089.48	8,732,957.38
LIABILITIES					
EQUITY					
Share capital.....	2	2,500.00	173,150.00	2,500.00	173,150.00
Building fund.....		124,800.00	8,643,648.00	124,800.00	8,643,648.00
Invested unrestricted equity fund.....		12,636.76	875,222.00	7,777.97	538,702.20
Profit(loss) from previous years.....		(10,476.49)	(725,601.70)	(6,512.45)	(451,052.29)
Profit(loss) for the financial year.....		(1,606.32)	(111,253.72)	(3,964.04)	(274,549.41)
TOTAL EQUITY.....		127,853.95	8,855,164.58	124,601.48	8,629,898.50
BORROWED CAPITAL					
Short-term borrowed capital.....					
Accruals and deferred income.....	3	58.32	4,039.24	1,488.00	103,058.88
Total short-term borrowed capital.....		58.32	4,039.24	1,488.00	103,058.88
TOTAL LIABILITIES.....		127,912.27	8,859,203.82	126,089.48	8,732,957.38

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1 Tangible assets

	Eur	Rs
Acquisition cost 1.4.	Land areas	Land areas
Acquisition cost 31.3.	124,800.00	8,643,648.00
Book value 31.3.	124,800.00	8,643,648.00

2 LIABILITIES

	Eur 2017	Rs 2017	Eur 2016	Rs 2016
EQUITY				
Share capital in the beginning of the year	2,500.00	173,150.00	2,500.00	173,150.00
Share capital in the end of the year	2,500.00	173,150.00	2,500.00	173,150.00
Building fund in the beginning of the year	124,800.00	8,643,648.00	124,800.00	8,643,648.00
Building fund in the end of the year	124,800.00	8,643,648.00	124,800.00	8,643,648.00
Invested unrestricted equity fund in the beginning of the year	7,777.97	538,702.20	7,777.97	538,702.20
Additions	4,858.79	336,519.80	0.00	0.00
Invested unrestricted equity fund in the end of the year	126,36.76	875,222.00	7,777.97	538,702.20
Profit/loss from prev. financial period	(10,476.49)	(725,601.70)	(6,512.45)	(451,052.29)
Profit/loss for the financial year	(1,606.32)	(111,253.72)	(3,964.04)	(274,549.41)
Total equity	127,853.95	8,855,164.58	124,601.48	8,629,898.50

BREAKDOWN OF SHARE CAPITAL

	2017		2016	
Eur	No.	Eur	No.	Eur
1 vote/share	25.00	2,500.00	25.00	2,500.00
Total	25.00	2,500.00	25.00	2,500.00

	2017		2016	
Rs	No.	Rs	No.	Rs
1 vote/share	25.00	173,150.00	25.00	173,150.00
Total	25.00	173,150.00	25.00	173,150.00

3 Short-term borrowed capital

	Eur 31.3.2017	Rs 31.3.2017	Eur 31.3.2016	Rs 31.3.2016
Accruals and deferred income	58.32	4,039.24	1,488.00	103,058.88
Total short-term borrowed capital	58.32	4,039.24	1,488.00	103,058.88

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR 1,606.32 (Rs 111,253.72). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki April 24th, 2017

Riku Rauhala
Chair of the Board of Director

Tapio Anttila
Board Member

Anne Oravainen
Board Member

AUDITOR'S NOTE

A report of the audit has been submitted today.

Eero Suomela
Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial Period commencing from April 1, 2016 and ended on March 31, 2017.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of other estate.

The Company's Resort Property is located at Helsinki, was fully operational.

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

Financial Highlights

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

During the period under review, the Company has earned a revenue of Euro 0 (RS 0) and made loss of Euro 1,671.37 (RS 115,759.09).

Dividends

No Dividend was proposed for the financial period under review.

Directors

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

- 1) Riku Rauhala
- 2) Anne Oravainen
- 3) Tapio Anttila

During the period under review, there is no change in the composition of the Board of Directors.

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion

of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is continued to be wholly owned subsidiary of Holiday Club Resorts Oy (HCR) and in turn of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

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

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Financial Statements as at March 31, 2017.

Acknowledgements

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

Signed on behalf of the Board of Directors
of Kiinteistö Oy Rauhan Ranta 2

Riku Rauhala
Chair of the Board of Directors

Place : Tampere
Dated : 24.4.2017

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteisto Oy Rauhan Ranta 2

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Kiinteisto Oy Rauhan Ranta 2 (business identity code 2145034-2) for the period ended 31 March 2017. The financial statements comprise the balance sheet, income statement and notes.

In my opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

I conducted my audit in accordance with good auditing practice in Finland. My responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to my audit, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance on whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions

of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

I 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 I identify during my audit.

Helsinki, 9 May 2017

Eero Suomela
Authorised Public Accountant, KHT

Nokkalankulma 7 B
02230 Espoo
FINLAND

PROFIT AND LOSS STATEMENT

	Eur	Rs	Eur	Rs
	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016
Property management expenses				
Administration	(1286.75)	(89120.31)	(1030.55)	(71375.89)
Outdoor area management	0.00	0.00	(4438.20)	(307389.73)
Property tax	(381.62)	(26431.00)	(667.83)	(46253.91)
Total	<u>(1668.37)</u>	<u>(115551.31)</u>	<u>(6136.58)</u>	<u>(425019.53)</u>
Profit(loss)	(1668.37)	(115551.31)	(6136.58)	(425019.53)
Financial income and expenses				
Interest income.....	0.00	0.00	0.01	0.69
Interest charges.....	(3.00)	(207.78)	(7.29)	(504.91)
Total financial income and expenses	<u>(3.00)</u>	<u>(207.78)</u>	<u>(7.28)</u>	<u>(504.21)</u>
Profit before appropriations and taxes	<u>(1671.37)</u>	<u>(115759.09)</u>	<u>(6143.86)</u>	<u>(425523.74)</u>
Profit/loss for the financial year	<u>(1671.37)</u>	<u>(115759.09)</u>	<u>(6143.86)</u>	<u>(425523.74)</u>

BALANCE SHEET

	Notes	Eur 31.03.2017	Rs 31.03.2017	Eur 31.03.2016	Rs 31.03.2016
ASSETS					
NON-CURRENT ASSETS					
Tangible assets					
Land areas.....	1	202,800.00	14,045,928.00	202,800.00	14,045,928.00
Total tangible assets.....		202,800.00	14,045,928.00	202,800.00	14,045,928.00
TOTAL NON-CURRENT ASSETS.....		202,800.00	14,045,928.00	202,800.00	14,045,928.00
CURRENT ASSETS					
Cash and cash equivalents					
Cash at bank.....		3,859.71	267,323.51	6,250.18	432,887.47
Total cash and cash equivalents.....		3,859.71	267,323.51	6,250.18	432,887.47
TOTAL CURRENT ASSETS.....		3,859.71	267,323.51	6,250.18	432,887.47
TOTAL ASSETS.....		206,659.71	14,313,251.51	209,050.18	14,478,815.47
LIABILITIES					
EQUITY					
Share capital.....	2	2,500.00	173,150.00	2,500.00	173,150.00
Building fund.....		202,800.00	14,045,928.00	202,800.00	14,045,928.00
Invested unrestricted equity fund.....		29,855.11	2,067,764.92	28,355.11	1,963,874.92
Profit(loss) from previous years.....		(26,919.43)	(1,864,439.72)	(20,775.57)	(1,438,915.98)
Profit(loss) for the financial year.....		(1,671.37)	(115,759.09)	(6,143.86)	(425,523.74)
TOTAL EQUITY.....		206,564.31	14,306,644.11	206,735.68	14,318,513.20
BORROWED CAPITAL					
Short-term borrowed capital.....					
Accruals and deferred income.....	3	95.40	6,607.40	2,314.50	160,302.27
Total short-term borrowed capital.....		95.40	6,607.40	2,314.50	160,302.27
TOTAL LIABILITIES.....		206,659.71	14,313,251.51	209,050.18	14,478,815.47

ACCOUNTING PRINCIPLES

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015)

Valuation principles

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value.

Revenues and expenses are amortised on an accruals basis.

Comparability of the previous financial year data

The reference figures used are from the 1.10.2014 - 31.3.2016 financial period, i.e. a eighteenth-month period. This shall be taken into account when comparing financial years.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy. Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters. Hitsaajankatu 22, 00810 Helsinki

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 69.26 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1 Tangible assets

	Eur	Rs
Acquisition cost 1.4.	202,800.00	14,045,928.00
Acquisition cost 31.3.	202,800.00	14,045,928.00
Book value 31.3.	202,800.00	14,045,928.00

2 LIABILITIES

	Eur 2017	Rs 2017	Eur 2016	Rs 2016
EQUITY				
Share capital in the beginning of the year	2,500.00	173,150.00	2,500.00	173,150.00
Share capital in the end of the year	2,500.00	173,150.00	2,500.00	173,150.00
Building fund in the beginning on the year	202,800.00	14,045,928.00	202,800.00	14,045,928.00
Building fund in the end of the year	202,800.00	14,045,928.00	202,800.00	14,045,928.00
Invested unrestricted equity fund in the beginning of the year	28,355.11	1,963,874.92	21,788.34	1,509,060.43
Additions	1,500.00	103,890.00	6,566.77	454,814.49
Invested unrestricted equity fund in the end of the year	29,855.11	2,067,764.92	28,355.11	1,963,874.92
Profit/loss from prev. financial period	(26,919.43)	(1,864,439.72)	(20,775.57)	(1,438,915.98)
Profit/loss for the financial year	(1,671.37)	(115,759.09)	(6,143.86)	(425,523.74)
Total equity	206,564.31	14,306,644.11	206,735.68	14,318,513.20

BREAKDOWN OF SHARE CAPITAL

	2017		2016	
Eur	No.	Eur	No.	Eur
1 vote/share	25.00	2,500.00	25.00	2,500.00
Total	25.00	2,500.00	25.00	2,500.00

	2017		2016	
Rs.	No.	Rs	No.	Rs
1 vote/share	25.00	173,150.00	25.00	173,150.00
Total	25.00	173,150.00	25.00	173,150.00

3 Short-term borrowed capital

	Eur 31.03.2017	Rs 31.03.2017	Eur 31.03.2016	Rs 31.03.2016
Accruals and deferred income	95.40	6,607.40	2,314.50	160,302.27
Total short-term borrowed capital	95.40	6,607.40	2,314.50	160,302.27

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR 1,671.37 (Rs 115,759.09). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS DATE AND SIGNATURES

Helsinki, April 24th 2017

Riku Rauhala
Chair of the Board of Directors

Tapio Anttila
Board Member

Anne Oravainen
Board Member

AUDITOR'S NOTE

A report of the audit has been submitted today.

Eero Suomela
Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial Period commencing from April 1, 2016 and ended on March 31, 2017.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of other estate.

The Company's Resort Property is located at Helsinki, was fully operational.

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

Financial Highlights

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

During the period under review, the Company has earned a revenue of Euro 0 (RS 0) and made loss of Euro 3,479.39 (RS 240,982.55).

Dividends

No Dividend was proposed for the financial period under review.

Directors

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

- 1) Riku Rauhala
- 2) Anne Oravainen
- 3) Tapio Anttila

During the period under review, there is no change in the composition of the Board of Directors.

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion

of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is continued to be wholly owned subsidiary of Holiday Club Resorts Oy (HCR) and in turn of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

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

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Financial Statements as at March 31, 2017.

Acknowledgements

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

Signed on behalf of the Board of Directors
of Kiinteistö Oy Tiurunniemi

Riku Rauhala
Chair of the Board of Directors

Place : Tampere
Dated : 24.4.2017

Auditor's Report

To the Annual General Meeting of Kiinteisto Oy Tiurunniemi

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Kiinteisto Oy Tiurunniemi (business identity code 2452737-6) for the period ended 31 March 2017. The financial statements comprise the balance sheet, income statement and notes.

In my opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

I conducted my audit in accordance with good auditing practice in Finland. My responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of my report. I am independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to my audit, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance on whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

I 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 I identify during my audit.

Helsinki, 9 May 2017

Eero Suomela
Authorised Public Accountant, KHT

Nokkalankulma 7 B
02230 Espoo
FINLAND

PROFIT AND LOSS STATEMENT

		Eur	Rs.	Eur	Rs.
	appendix	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016
Depreciation					
Impairments land and water areas	1	0.00	0.00	(577,229.00)	(39,978,880.54)
Total		<u>0.00</u>	<u>0.00</u>	<u>(577,229.00)</u>	<u>(39,978,880.54)</u>
Property management expenses					
Administration		(1,140.85)	(79,015.27)	(805.48)	(55,787.54)
Property tax.....		(2,335.54)	(61,759.50)	(3,922.58)	(27,1677.89)
Reparations		0.00	0.00	(2,202.24)	(152,527.14)
Total		<u>(3,476.39)</u>	<u>(240,774.77)</u>	<u>(6,930.30)</u>	<u>(479,992.58)</u>
Profit(loss)		(3,476.39)	(240,774.77)	(584,159.30)	(40,458,873.12)
Financial income and expenses					
Interest charges		(3.00)	(207.78)	(28.14)	(1948.98)
Total financial income and expenses		<u>(3.00)</u>	<u>(207.78)</u>	<u>(28.14)</u>	<u>(1948.98)</u>
Profit before appropriations and taxes		<u>(3,479.39)</u>	<u>(240,982.55)</u>	<u>(584,187.44)</u>	<u>(40,460,822.09)</u>
Profit/loss for the financial year		<u>(3,479.39)</u>	<u>(240,982.55)</u>	<u>(584,187.44)</u>	<u>(40,460,822.09)</u>

BALANCE SHEET

	appendix	Eur 31.3.2017	Rs. 31.3.2017	Eur 31.3.2016	Rs. 31.3.2016
ASSETS					
NON-CURRENT ASSETS					
Tangible assets					
Land areas.....	2	360,000.00	24,933,600.00	360,000.00	24,933,600.00
Total tangible assets.....		360,000.00	24,933,600.00	360,000.00	24,933,600.00
TOTAL NON-CURRENT ASSETS.....		360,000.00	24,933,600.00	360,000.00	24,933,600.00
CURRENT ASSETS					
Short-term receivables					
Cash and cash equivalents					
Cash at bank.....		3,099.61	214,678.99	4,488.84	310,897.06
Total cash and cash equivalents.....		3,099.61	214,678.99	4,488.84	310,897.06
TOTAL CURRENT ASSETS.....		3,099.61	214,678.99	4,488.84	310,897.06
TOTAL ASSETS.....		363,099.61	25,148,278.99	364,488.84	25,244,497.06
LIABILITIES					
EQUITY					
Share capital.....	3	2,500.00	173,150.00	2,500.00	173,150.00
Invested unrestricted equity fund.....		975,188.63	67,541,564.51	973,088.63	67,396,118.51
Profit(loss) from previous years.....		(611,686.11)	(42,365,379.98)	(27,498.67)	(1,904,557.88)
Profit(loss) for the financial year.....		(3,479.39)	(240,982.55)	(584,187.44)	(40,460,822.09)
TOTAL EQUITY.....		362,523.13	25,108,351.98	363,902.52	25,203,888.54
BORROWED CAPITAL					
Short-term borrowed capital					
Accruals and deferred income.....	4	576.48	39,927.00	586.32	40,608.52
Total short-term borrowed capital.....		576.48	39,927.00	586.32	40,608.52
TOTAL LIABILITIES.....		363,099.61	25,148,278.99	364,488.84	25,244,497.06

ACCOUNTING PRINCIPLES

Valuation principles

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015).

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value.

Revenues and expenses are amortised on an accruals basis.

Comparability of the previous financial year data

The reference figures used are from the 1.10.2014 - 31.3.2016 financial period, i.e. a eighteenth-month period.

This shall be taken into account when comparing financial years.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.

Hitsajankatu 22, 00810 Helsinki

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 69.26 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

NOTES TO THE PROFIT AND LOSS STATEMENT

1 Depreciation and impairments

	Eur 2017	Rs. 2017	Eur 2016	Rs. 2016
Impairments land and water areas	0.00	0.00	577,229.00	39,978,880.54
Total depreciation and impairments	0.00	0.00	577,229.00	39,978,880.54

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

2 Tangible assets

	Eur Land areas	Rs. Land areas
Acquisition cost 1.10.	937,229.00	64,912,480.54
Accrued deductions.....	(577,229.00)	(39,978,880.54)
Acquisition cost 31.3.....	360,000.00	24,933,600.00
Book value 31.3.....	360,000.00	24,933,600.00

LIABILITIES

3 Equity

	Eur 2017	Rs. 2017	Eur 2016	Rs. 2016
Share capital in the beginning of the year.....	2,500.00	173,150.00	2,500.00	173,150.00
Share capital in the end of the year	2,500.00	173,150.00	2,500.00	173,150.00
Invested unrestricted equity fund in the beginning of the year.....	973,088.63	67,396,118.51	966,564.25	66,944,239.96
Additions	2,100.00	145,446.00	6,524.38	451,878.56
Invested unrestricted equity fund in the end of the year	975,188.63	67,541,564.51	973,088.63	67,396,118.51
Profit/loss from prev. financial period.....	(611,686.11)	(42,365,379.98)	(27,498.67)	(1,904,557.88)
Profit/loss for the financial year	(3,479.39)	(240,982.55)	(584,187.44)	(4,460,822.09)
Total equity	362,523.13	25,108,351.98	363,902.52	25,203,888.54

4 Short-term borrowed capital

	Eur 2017	Rs. 2017	Eur 2016	Rs. 2016
Accruals and deferred income.....	576.48	39,927.00	586.32	40,608.52
Total short-term borrowed capital	576.48	39,927.00	586.32	40,608.52

BREAKDOWN OF SHARE CAPITAL

Eur	2017 No.	Eur	2016 No.	Eur
1 vote/share	2,500.00	2,500.00	2,500.00	2,500.00
Total	2,500.00	2,500.00	2,500.00	2,500.00

Rs.	2017 No.	Rs.	2016 No.	Rs.
1 vote/share	2,500.00	173,150.00	2,500.00	173,150.00
Total	2,500.00	173,150.00	2,500.00	173,150.00

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR 3,479.39 (Rs. 240,982.55). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

Helsinki, 24 April 2017

Riku Rauhala
Chair of the Board of Directors

Tapio Anttila
Board Member

Anne Oravainen
Board Member

AUDITOR'S NOTE

A report of the audit has been submitted today.

Eero Suomela
Authorized Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period ended on March 31, 2017.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of other real estate.

The Company's Resort Property is located at Tampere, was fully operational.

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

Financial Highlights

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

During the period under review, the Company has earned a revenue of Euro 680,528.07 and Rs. 47,133,374.13 and made loss of Euro 271,052.08 (Rs. 18,773,067.06).

Dividends

No Dividend was proposed for the financial period under review.

Directors

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

- 1) Iiro Rossi, Chair of the Board of Directors
- 2) Marko Hiltunen, CEO, board member
- 3) Riku Rauhala, board member

During the period under review, Riku Rauhala is resigned and Marko Hiltunen was appointed as Director of the Company with effect from October 3rd 2016.

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

Events Subsequent to Balance Sheet Date

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

of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is continued to be wholly owned subsidiary of Holiday Club Resorts Oy (HCR) and in turn of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

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

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Financial Statements as at March 31, 2017.

Acknowledgements

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

Signed on behalf of the Board of Directors
of Kiinteistö Oy Rauhan Liikekiinteistöt 1

Name of Director: Iiro Rossi
Chair of the Board of Directors

Place : Tampere
Dated : April 24, 2017

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Rauhan liikekiinteistöt 1.

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Kiinteistö Oy Rauhan liikekiinteistöt 1 (business identity code 2384842-6) for the period ended 31 March 2017. The financial statements comprise the balance sheet, income statement and notes.

In my opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

I conducted my audit in accordance with good auditing practice in Finland. My responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to my audit, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance on whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

I 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 I identify during my audit.

Helsinki, 9 May 2017

Eero Suomela
Authorised Public Accountant, KHT

Nokkalankulma 7 B
02230 Espoo
FINLAND

ACCOUNTING PRINCIPLES

Non-current assets

In this balance sheet, capital assets are listed as the difference between purchase price and accumulated planned depreciation.

Planned depreciation is calculated as a straight-line depreciation based on the useful life of the object.

The indicative useful lives on which the planned depreciation is based are as follows:

- buildings 20-30 yrs
- machines and equipment 5-10 yrs
- other tangible assets 30 yrs

Current assets

Receivables and liabilities have been valued at the nominal value.

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 69.26 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India

PROFIT AND LOSS STATEMENT

		Eur	Rs	Eur	Rs
		1.4.2016	1.4.2017	1.10.2014	1.10.2014
	appendix	-31.3.2017	-31.3.2017	-31.3.2016	-31.3.2016
TURNOVER	1	680,528.07	47,133,374.13	1,311,697.59	90,848,175.08
Other operating income		0.00	0.00	0.00	0.00
Depreciation and impairments	2	389,134.64	26,951,465.17	583,701.96	40,427,197.75
Other operating expenses	3	352,836.07	24,437,426.21	588,138.00	40,734,437.88
Total		741,970.71	51,388,891.37	139,857.63	9,686,539.45
Profit(loss)		(61,442.64)	(4,255,517.25)	139,857.63	9,686,539.45
Financial income and expenses	4				
Interest income		0.13	9.00	33.25	2,302.90
Interest charges		(206,858.85)	(14,327,043.95)	(359,723.75)	(24,914,466.93)
Total financial income and expenses		(206,858.72)	(14,327,034.95)	(359,690.50)	(24,912,164.03)
		(268,301.36)	(18,582,552.19)	(219,832.87)	(15,225,624.58)
Profit before appropriations and taxes		(268,301.36)	(18,582,552.19)	(219,832.87)	(15,225,624.58)
Change in depreciation difference	5	2,750.72	190,514.87	22,807.15	1,579,623.21
Profit/loss for the financial year		(271,052.08)	(18,773,067.06)	(242,640.02)	(16,805,247.79)

BALANCE SHEET

		Eur	Rs	Eur	Rs
	appendix	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016
ASSETS					
NON-CURRENT ASSETS					
Tangible assets	6	9,672,155.09	669,893,461.53	10,061,289.73	696,844,926.70
Investments					
Other receivables	7	93,603.26	6,482,961.79	93,603.26	6,482,961.79
Total tangible assets.....		9,765,758.35	676,376,423.32	10,154,892.99	703,327,888.49
TOTAL NON-CURRENT ASSETS		9,765,758.35	676,376,423.32	10,154,892.99	703,327,888.49
CURRENT ASSETS					
Short-term receivables					
Short-term receivables	8	16,472.41	1,140,879.12	55,168.26	3,820,953.69
Total short-term receivables.....		16,472.41	1,140,879.12	55,168.26	3,820,953.69
Cash and cash equivalents					
Cash at bank		113,140.14	7,836,086.10	61,091.06	4,231,166.82
Total cash and cash equivalents		129,612.55	8,976,965.21	61,091.06	4,231,166.82
TOTAL CURRENT ASSETS		129,612.55	8,976,965.21	116,259.32	8,052,120.50
TOTAL ASSETS		9,895,370.90	685,353,388.53	10,271,152.31	711,380,008.99
LIABILITIES					
EQUITY					
Share capital.....	9	2,500.00	173,150.00	2,500.00	173,150.00
Building fund		4,873,919.95	337,567,695.74	4,873,919.95	337,567,695.74
Profit(loss) from previous years.....		(2,923,081.41)	(202,452,618.46)	(2,680,441.39)	(185,647,370.67)
Profit(loss) for the financial year.....		(271,052.08)	(18,773,067.06)	(242,640.02)	(16,805,247.79)
TOTAL EQUITY		1,682,286.46	116,515,160.22	1,953,338.54	135,288,227.28
ACCUMULATED APPROPRIATIONS.....					
Accumulated depreciation difference.....	10	28,307.87	1,960,603.08	25,557.15	1,770,088.21
BORROWED CAPITAL					
Long-term borrowed capital.....	11	5,150,818.40	356,745,682.38	5,473,431.96	379,089,897.55
Short-term borrowed capital.....	12	3,033,958.17	210,131,942.85	2,818,824.66	195,231,795.95
TOTAL BORROWED CAPITAL.....		8,184,776.57	566,877,625.24	8,292,256.62	574,321,693.50
TOTAL LIABILITIES.....		9,895,370.90	685,353,388.53	10,271,152.31	711,380,008.99

NOTES TO THE FINANCIAL STATEMENTS

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.
Hitsaajankatu 22, 00810 Helsinki

Comparability of the previous financial year data

The reference figures used are from the 1.10.2014 - 31.3.2017 financial period, i.e. a eighteen-month period.

This shall be taken into account when comparing financial years.

Board of Directors proposal to process profit and loss for the previous financial year

The Board of Directors proposes to the Annual General Meeting that a loss of EUR 271,052.08 (Rs 18,773,067.06) be transferred to the profit and loss account and that no dividends be distributed.

Company shares

There are 100 company shares. Each share confers the same right to dividends and company assets.

NOTES TO THE PROFIT AND LOSS STATEMENT

1 TURNOVER BY SECTOR

Breakdown by sector	Eur		Rs	
	1.4.2016-31.3.2017	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.10.2014-31.3.2016
Rent revenues	662,270.97	45,868,887.38	1,222,607.92	84,677,824.54
Service revenues	18,257.10	1,264,486.75	43,339.67	3,001,705.54
Other revenues	0.00	0.00	45,750.00	3,168,645.00
TOTAL	680,528.07	47,133,374.13	1,311,697.59	90,848,175.08

2 DEPRECIATION AND OTHER IMPAIRMENTS

	Eur		Rs	
	1.4.2016-31.3.2017	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.10.2014-31.3.2016
Store and warehouse buildings	314,372.01	21,773,405.41	471,558.01	32,660,107.77
Building elements	43,535.52	3,015,270.12	65,303.29	4,522,905.87
Machines and equipment	21,627.11	1,497,893.64	32,440.66	2,246,840.11
Other tangible assets	5,500.00	380,930.00	8,250.00	571,395.00
Civil defence shelters	4,100.00	283,966.00	6,150.00	425,949.00
Total	389,134.64	26,951,465.17	583,701.96	40,427,197.75

3 OTHER OPERATING EXPENSES

	Eur		Rs	
	1.4.2016-31.3.2017	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.10.2014-31.3.2016
Marketing expenses	0.00	0.00	20,067.70	1,389,888.90
Operating and maintenance expenses	18,945.78	1,312,184.72	39,006.35	2,701,579.80
Property management expenses	250,566.07	17,354,206.01	419,682.05	29,067,178.78
Other business expenses	83,324.22	5,771,035.48	109,381.90	7,575,790.39
Total	352,836.07	24,437,426.21	588,138.00	40,734,437.88

4 FINANCIAL INCOME AND EXPENSES

	Eur		Rs	
	1.4.2016-31.3.2017	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.10.2014-31.3.2016
Other interest income	0.13	9.00	33.25	2,302.90
Total	0.13	9.00	33.25	2,302.90
Interest expenses to companies in the same Group	63,021.37	4,364,860.09	98,512.60	6,822,982.68
Other interest expenses	143,837.48	9,962,183.86	261,211.15	18,091,484.25
Total interest expenses	206,858.85	14,327,043.95	359,723.75	24,914,466.93
Total financial income and expenses	(206,858.72)	(14,327,034.95)	(359,690.50)	(24,912,164.03)

5 APPROPRIATIONS

	Eur		Rs	
	1.4.2016-31.3.2017	1.4.2016-31.3.2017	1.10.2014-31.3.2016	1.10.2014-31.3.2016
Retail and warehouse buildings	2,391.90	165,662.99	23,972.64	1,660,345.05
Building elements	15,325.65	1,061,454.52	24,531.69	1,699,064.85
Machines and equipment	(14,966.83)	(1,036,602.65)	(22,275.64)	(1,542,810.83)
Other tangible assets	0.00	0.00	(2,750.00)	(190,465.00)
Civil defence shelters	0.00	0.00	(671.54)	(46,510.8604)
Total	2,750.72	190,514.87	22,807.15	1,579,623.209

NOTES TO THE BALANCE SHEET

CAPITAL ASSETS AND OTHER LONG-TERM INVESTMENTS, I.E. NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

6 TANGIBLE ASSETS

Eur	Land and water areas	Buildings	Machines and equipment	Other tangible assets	Total
Acquisition cost 1.10.2014	329,375.58	13,031,876.36	111,741.31	165,000.00	13,637,993.25
Acquisition cost 31.3.	329,375.58	13,031,876.36	111,741.31	165,000.00	13,637,993.25
Accumulated depreciation and impairments	0.00	(3,503,824.63)	(57,753.89)	(15,125.00)	(3,576,703.52)
Depreciation for the financial year	0.00	(362,007.53)	(21,627.11)	(5,500.00)	(389,134.64)
Accumulated depreciation	0.00	(3,865,832.16)	(79,381.00)	(20,625.00)	(3,965,838.16)
31.3.2017					
Book value 31.3.2017	329,375.58	9,166,044.20	32,360.31	144,375.00	9,672,155.09

Rs	Land and water areas	Buildings	Machines and equipment	Other tangible assets	Total
Acquisition cost 1.10.2014	22,812,552.67	902,587,756.69	7,739,203.13	11,427,900.00	944,567,412.50
Acquisition cost 31.3.	22,812,552.67	902,587,756.69	7,739,203.13	11,427,900.00	944,567,412.50
Accumulated depreciation and impairments	0.00	(242,674,893.87)	(4,000,034.42)	(1,047,557.50)	(247,722,485.80)
Depreciation for the financial year	0.00	(25,072,641.53)	(1,497,893.64)	(380,930.00)	(26,951,465.17)
Accumulated depreciation	0.00	(267,747,535.40)	(5,497,928.06)	(1,428,487.50)	(274,673,950.96)
31.3.2016					
Book value 31.3.2016	22,812,552.67	634,840,221.29	2,241,275.07	9,999,412.50	669,893,461.53

7 OTHER RECEIVABLES

	Eur	Rs	Eur	Rs
	Other receivables	Other receivables	Other receivables	Other receivables
	31.3.2017	31.3.2017	31.3.2016	31.3.2016
Acquisition cost 1.10.2014	93,603.26	6,482,961.78	93,603.26	6,482,961.78
Acquisition cost 31.3.2016	93,603.26	6,482,961.78	93,603.26	6,482,961.78
Book value 31.3.2016	93,603.26	6,482,961.78	93,603.26	6,482,961.78

8 SHORT-TERM RECEIVABLES

	Eur	Rs	Eur	Rs
	31.3.2017	31.3.2017	31.3.2016	31.3.2016
Receivables from companies in the same Group	222.39	15,402.73	1,043.56	72,276.97
Accounts receivable	30.09	2,084.03	38,516.94	2,667,683.26
Accrued income	16,219.93	1,123,392.35	15,607.76	1,080,993.46
Total	16,472.41	1,140,879.12	55,168.26	3,820,953.69

LIABILITIES

9. EQUITY

	Eur	Rs	Eur	Rs
	2017	2017	2016	2016
Share capital 1.1.	2,500.00	173,150.00	2,500.00	173,150.00
Share capital 31.3.	2,500.00	173,150.00	2,500.00	173,150.00
Building fund 1.4	4,873,919.95	337,567,695.74	4,873,919.95	337,567,695.74
Building fund 31.3.	4,873,919.95	337,567,695.74	4,873,919.95	337,567,695.74
Profit/loss from prev. financial period 1.10.	(2,923,081.41)	(202,452,618.46)	(2,680,441.39)	(185,647,370.67)
Profit/loss for the financial year	(271,052.08)	(18,773,067.06)	(242,640.02)	(16,805,247.79)
Total equity	1,682,286.46	116,515,160.22	1,953,338.54	135,288,227.28

CALCULATION OF DISTRIBUTABLE FUNDS

	Eur	Rs	Eur	Rs
	31.3.2017	31.3.2017	31.3.2016	31.3.2016
Profit/loss from prev. financial period 1.1.	(2,923,081.41)	(202,452,618.46)	(2,680,441.39)	(185,647,370.67)
Profit/loss from prev. financial period 1.1.	(2,923,081.41)	(202,452,618.46)	(2,680,441.39)	(185,647,370.67)
Profit/loss for the financial year	(271,052.08)	(18,773,067.06)	(242,640.02)	(16,805,247.79)
Total	(3,194,133.49)	(221,225,685.52)	(2,923,081.41)	(202,452,618.46)

10. ACCUMULATED APPROPRIATIONS

	Eur	Rs	Eur	Rs
	31.3.2017	31.3.2017	31.3.2016	31.3.2016
Depreciation difference retail and warehouse buildings	26,364.54	1,826,008.04	23,972.64	1,660,345.05
Depreciation difference on building elements	56,729.54	3,929,087.94	41,403.89	2,867,633.42
Depreciation difference on machines and equipment	(54,786.21)	(3,794,492.90)	(39,819.38)	(2,757,890.26)
Total accumulated depreciation difference	28,307.87	1,960,603.08	25,557.15	1,770,088.21

11. LONG-TERM BORROWED CAPITAL

	Eur	Rs	Eur	Rs
	31.3.2017	31.3.2017	31.3.2016	31.3.2016
Loans from financial institutions	5,150,000.00	356,689,000.00	5,450,000.00	377,467,000.00
Security deposits received	818.40	56,682.38	23,431.96	1,622,897.55
Total long-term borrowed capital	5,150,818.40	356,745,682.38	5,473,431.96	379,089,897.55

LIABILITIES MATURING IN MORE THAN FIVE YEARS

	Eur	Rs	Eur	Rs
	31.3.2017	31.3.2017	31.3.2016	31.3.2016
Loans from financial institutions	3,950,000.00	273,577,000.00	4,000,000.00	277,040,000.00
Total long-term borrowed capital	3,950,000.00	273,577,000.00	4,000,000.00	277,040,000.00

12. SHORT-TERM BORROWED CAPITAL

	Eur	Rs	Eur	Rs
	31.3.2017	31.3.2017	30.9.2014	30.9.2014
Loans from financial institutions	300,000.00	20,778,000.00	300,000.00	20,778,000.00
Trade payables	13,750.63	952,368.63	281.48	19,495.30
Liabilities for companies in the same Group	2,660,785.73	184,286,019.66	2,456,443.74	170,133,293.43
Other liabilities	6,805.31	471,335.77	6,701.35	464,135.50
Accruals and deferred income	52,616.50	3,644,218.79	55,398.09	3,836,871.71
Total short-term borrowed capital	3,033,958.17	210,131,942.85	2,818,824.66	195,231,795.95

ESSENTIAL ITEMS OF ACCRUALS AND DEFERRED INCOME

	Eur	Rs
Accrued interest expense	33,836.05	2,343,484.82
Reserve for missing purchase invoices	18,780.45	1,300,733.97
Total	52,616.50	3,644,218.79

GUARANTEES GIVEN

LOANS FOR WHICH MORTGAGE ON PROPERTY HAS BEEN GIVEN AS A GUARANTEE

	Eur	Rs	Eur	Rs
	31.3.2017	31.3.2017	31.3.2016	31.3.2016
Loans from financial institutions	5,450,000.00	377,467,000.00	5,750,000.00	398,245,000.00
Total	5,450,000.00	377,467,000.00	5,750,000.00	398,245,000.00
Mortgages	10,000,000.00	692,600,000.00	10,000,000.00	692,600,000.00
Total	10,000,000.00	692,600,000.00	10,000,000.00	692,600,000.00

OTHER NOTES

The company is obligated to audit VAT deductions made on its property investments every year for 10 years after completion of the investment, to the extent that the value added taxable use of the property decreases during the period under review.

The maximum liability is EUR 2,070,465.17 (Rs 143,400,417.67) as of 31 March 2017.

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR 271,052.08 (Rs 18,773,067.06). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki April 24th 2017

Iiro Rossi
Chair of the Board of Directors

Marko Hiltunen
CEO
board member

Riku Rauhala
Board Member

AUDITOR'S NOTE

A report of the audit has been submitted today.

Eero Suomela

KHT

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period ended on March 31, 2017.

Operations/State of the Company's Affairs

The Company is primarily engaged in retail sale in self-service stores.

The Company's Resort Property is located at Tampere, was fully operational.

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

Financial Highlights

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

During the period under review, the Company has earned a revenue of Euro 398,621.96 and Rs. 27,608,556.95 and made profit of Eur 2.42 (Rs. 167.61).

Dividends

No Dividend was proposed for the financial period under review.

Directors

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

- 1) Iiro Rossi, Chair of the Board of Directors
- 2) Marko Hiltunen, board member
- 3) Jussi Valtola, board member

During the period under review, there is no change in the composition of the Board of Directors.

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion

of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is continued to be wholly owned subsidiary of Holiday Club Resorts Oy (HCR) and in turn of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

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

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Financial Statements as at March 31, 2017.

Acknowledgements

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

Signed on behalf of the Board of Directors
of Supermarket Capri Oy

Iiro Rossi

Chair of the Board of Directors

Place : Tampere
Dated : April 24th, 2017

AUDITOR'S REPORT

To the Annual General Meeting of Supermarket Capri Oy

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Supermarket Capri Oy (business identity code 2535232-8) for the period ended 31 March 2017. The financial statements comprise the balance sheet, income statement and notes.

In my opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

I conducted my audit in accordance with good auditing practice in Finland. My responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to my audit, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance on whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

I 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 I identify during my audit.

Helsinki, 9 May 2017

Eero Suomela
Authorised Public Accountants, KHT

Nokkalankulma 7 B
02230 Espoo
FINLAND

ACCOUNTING PRINCIPLES

Non-current assets

In this balance sheet, capital assets are listed as the difference between purchase price and accumulated planned depreciation.

Planned depreciation is calculated as a straight-line depreciation based on the useful life of the object.

The indicative useful lives on which the planned depreciation is based are as follows:

- machines and equipment	3-5 yrs
- other tangible assets	5 yrs

Current assets

Receivables and liabilities have been valued at the nominal value.

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 69.26 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India

PROFIT AND LOSS STATEMENT

		Eur	Rs.	Eur	Rs.
	appendix	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.1.2015- 31.3.2016	1.1.2015- 31.3.2016
TURNOVER		398,621.96	27,608,556.95	565,901.07	39,194,308.11
Other operating income		3,934.90	272,531.17	168,658.38	11,681,279.40
Materials and services					
Purchases during the financial year		(292,869.96)	(20,284,173.43)	(382,430.74)	(26,487,153.05)
Change in inventory		(1,852.10)	(128,276.45)	(61,777.75)	(4,278,726.97)
External services	1	(33,723.27)	(2,335,673.68)	(11,537.34)	(799,076.17)
		(328,445.33)	(22,748,123.56)	(455,745.83)	(31,564,956.19)
Personnel expenses					
Salaries and fees	2	(51,666.77)	(3,578,440.49)	(119,769.95)	(8,295,266.74)
Social security costs					
Pension expenses		(9,077.52)	(628,709.04)	(22,698.62)	(1,572,106.42)
Other social security costs		(3,553.18)	(246,093.25)	(4,269.77)	(295,724.27)
		(64,297.47)	(4,453,242.77)	(146,738.34)	(10,163,097.43)
Depreciation and impairments					
Planned depreciation	3	(43,217.84)	(2,993,267.60)	(67,050.13)	(4,643,892.00)
Other operating expenses					
Other operating expenses	4	(75,227.36)	(5,210,246.95)	(119,816.03)	(8,298,458.24)
		(118,445.20)	(8,203,514.55)	(186,866.16)	(12,942,350.24)
Profit(loss)		(108,631.14)	(7,523,792.76)	(54,790.88)	(3,794,816.35)
Financial income and expenses	5				
Interest income		6.78	469.58	7.93	549.23
Interest charges					
for companies in the same Group		(725.97)	(50,280.68)	(16,127.49)	(1,116,989.96)
for others		(129.25)	(8,951.86)	(7,966.24)	(551,741.78)
Total financial income and expenses		(848.44)	(58,762.95)	(24,085.80)	(1,668,182.51)
Profit before appropriations and taxes		(109,479.58)	(7,582,555.71)	(78,876.68)	(5,462,998.86)
Change in depreciation difference		(109,482.00)	(7,582,723.32)	0.00	0.00
Profit/loss for the financial year		(218,961.58)	(15,165,279.03)	(78,876.68)	(5,462,998.86)

BALANCE SHEET

		Eur	Rs.	Eur	Rs.
	appendix	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.1.2015- 31.3.2016	1.1.2015- 31.3.2016
ASSETS					
NON-CURRENT ASSETS					
Intangible assets	6				
Other capitalised long-term expenditures....		9,249.09	640,591.97	13,230.56	916,348.59
Tangible assets	7				
Machines and equipment		49,239.98	3,410,361.01	88,266.35	6,113,327.40
Other tangible assets		595.00	41,209.70	805.00	55,754.30
Investments					
Shares and participations		1,000.00	69,260.00	1,000.00	69,260.00
Total tangible assets		50,834.98	3,520,830.71	90,071.35	6,238,341.70
TOTAL NON-CURRENT ASSETS		50,834.98	3,520,830.71	90,071.35	6,238,341.70
CURRENT ASSETS		60,084.07	4,161,422.69	103,301.91	7,154,690.29
Current assets					
Materials and supplies		13,511.54	935,809.26	15,363.64	1,064,085.71
Short-term receivables	8				
Accounts receivable		1,305.50	90,418.93	2,739.81	189,759.24
Receivables from companies in the same Group		44,776.84	3,101,243.94	257.87	17,860.08
Other receivables		2,050.24	141,999.62	1,643.47	113,826.73
Accrued income		15,869.60	1,099,128.50	17,153.21	1,188,031.32
Total short-term receivables		64,002.18	4,432,790.99	21,794.36	1,509,477.37
Cash and cash equivalents					
Cash at bank		9,657.43	668,873.60	16,798.34	1,163,453.03
Total cash and cash equivalents		9,657.43	668,873.60	16,798.34	1,163,453.03
TOTAL CURRENT ASSETS		87,171.15	6,037,473.85	53,956.34	3,737,016.11
TOTAL ASSETS		147,255.22	10,198,896.54	157,258.25	10,891,706.40

		Eur	Rs.	Eur	Rs.
	appendix	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.1.2015- 31.3.2016	1.1.2015- 31.3.2016
LIABILITIES					
EQUITY					
	9				
Share capital		100,000.00	6,926,000.00	100,000.00	6,926,000.00
Invested unrestricted equity fund.....		1,023,860.96	70,912,610.09	1,023,860.96	70,912,610.09
Profit(loss) from previous years.....		(1,007,107.75)	(69,752,282.77)	(928,231.07)	(64,289,283.91)
Profit(loss) for the financial year.....		2.42	167.61	(78,876.68)	(5,462,998.86)
TOTAL EQUITY		<u>116,755.63</u>	<u>8,086,494.93</u>	<u>116,753.21</u>	<u>8,086,327.32</u>
BORROWED CAPITAL					
Short-term borrowed capital	10				
Trade payables.....		3,809.73	263,861.90	16,334.84	1,131,351.02
Liabilities for companies in the same Group....		7,548.62	522,817.42	78.39	5,429.29
Other liabilities.....		1,426.72	98,814.63	3,248.89	225,018.12
Accruals and deferred income	11	17,714.52	1,226,907.66	20,842.92	1,443,580.64
		<u>30,499.59</u>	<u>2,112,401.60</u>	<u>40,505.04</u>	<u>2,805,379.07</u>
TOTAL BORROWED CAPITAL		30,499.59	2,112,401.60	40,505.04	2,805,379.07
TOTAL LIABILITIES		147,255.22	10,198,896.54	157,258.25	10,891,706.40

NOTES TO THE FINANCIAL STATEMENTS

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.

Hitsaajankatu 22, 00810 Helsinki

Comparability of the previous financial year data

The reference figures used are from the 1.1.2015 - 31.3.2016 financial period, i.e. a fifteen-month period.

This shall be taken into account when comparing financial years.

NOTES TO THE PROFIT AND LOSS STATEMENT

1. MATERIALS AND SERVICES

	Eur		Rs.	
	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.1.2015- 31.3.2016	1.1.2015- 31.3.2016
Outsourced services....	33,723.27	2,335,673.68	11,537.34	799,076.17
Other personnel expenses				
TOTAL	33,723.27	2,335,673.68	11,537.34	799,076.17

2. PERSONNEL

	1.1.2015- 31.3.2016		1.1.2015- 31.3.2016	
Average number				
Officers.....		1		1
Employees.....		1		1
TOTAL		2		2

3. DEPRECIATION AND OTHER IMPAIRMENTS

	Eur		Rs.	
	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.1.2015- 31.3.2016	1.1.2015- 31.3.2016
Other capitalised long-term expenditures	(3,981.47)	(275,756.61)	(6,463.87)	(447,687.64)
Machines and equipment...	(39,026.37)	(2,702,966.39)	(59,772.70)	(4,139,857.20)
Other tangible assets	(210.00)	(14,544.60)	(813.56)	(56,347.17)
TOTAL	(43,217.84)	(2,993,267.60)	(67,050.13)	(4,643,892.00)

4. OTHER OPERATING EXPENSES

	Eur		Rs.	
	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.1.2015- 31.3.2016	1.1.2015- 31.3.2016
Marketing expenses	(6,193.90)	(428,989.51)	(12,797.25)	(886,337.54)
Operating and maintenance expenses	(3,846.76)	(266,426.60)	(7,266.79)	(503,297.88)
Rents.....	(32,513.16)	(2,251,861.46)	(51,077.22)	(3,537,608.26)
Other expenses.....	(32,673.54)	(2,262,969.38)	(48,674.77)	(3,371,214.57)
TOTAL	(75,227.36)	(5,210,246.95)	(119,816.03)	(8,298,458.24)

Board of Directors proposal to process profit and loss for the previous financial year

The Board of Directors proposes to the Annual General Meeting that a profit of EUR 2.42 (Rs. 167.61) be transferred to the profit and loss account and that no dividends be distributed.

Company shares

There are 100 company shares. Each share confers the same right to dividends and company assets.

5. FINANCIAL INCOME AND EXPENSES

	Eur		Rs	
	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.1.2015- 31.3.2016	1.1.2015- 31.3.2016
Other interest income.....	6.78	469,5828	7.93	549,2318
TOTAL	6.78	469,5828	7.93	549,2318
Interest expenses to companies in the same Group	(725.97)	(50,280.68)	(16,127.49)	(1,116,989.96)
Other interest expenses.....	(129.25)	(8,951.86)	(7,966.24)	(551,741.78)
Total interest expenses	(855.22)	(59,232.54)	(24,093.73)	(1,668,731.74)
Total financial income and expenses	(848.44)	(58,762.95)	(24,085.80)	(1,668,182.51)

NOTES TO THE BALANCE SHEET

CAPITAL ASSETS AND OTHER LONG-TERM INVESTMENTS, I.E. NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

6. INTANGIBLE ASSETS

	Other capitalised long-term expenditures	Total
Eur		
Acquisition cost at the start of the financial year	19,694.43	19,694.43
Acquisition cost 31.3.	19,694.43	19,694.43
Accumulated planned depreciation at the start of the financial year	(6,463.87)	(6,463.87)
Depreciation for the financial year.....	(3,981.47)	(3,981.47)
Accumulated planned depreciation at the start of the financial year	(10,445.34)	(10,445.34)
Book value 31.3.2017	9,249.09	9,249.09

	Other capitalised long-term expenditures	Total
Rs		
Acquisition cost at the start of the financial year	1,364,036.22	1,364,036.22
Acquisition cost 31.3.	1,364,036.22	1,364,036.22
Accumulated planned depreciation at the start of the financial year	(447,687.64)	(447,687.64)
Depreciation for the financial year.....	(275,756.61)	(275,756.61)
Accumulated planned depreciation at the start of the financial year	(723,444.25)	(723,444.25)
Book value 31.3.2016	640,591.97	640,591.97

7. TANGIBLE ASSETS

	Machines and equipment	Other tangible assets	Total
			31.3.2016
Eur			
Acquisition cost at the start of the financial year	204,809.76	1,618.56	206,428.32
Acquisition cost 31.3.	204,809.76	1,618.56	206,428.32
Accumulated planned depreciation at the start of the financial year	(116,543.41)	(813.56)	(117,356.97)
Depreciation for the financial year	(39,026.37)	(210.00)	(39,236.37)
Accumulated planned depreciation at the start of the financial year	(155,569.78)	(1,023.56)	(156,593.34)
Book value 31.3.2017	49,239.98	595.00	49,834.98
	Machines and equipment	Other tangible assets	Total
Rs.			
Acquisition cost at the start of the financial year	14,185,123.98	112,101.47	14,297,225.44
Acquisition cost 31.3.	14,185,123.98	112,101.47	14,297,225.44
Accumulated planned depreciation at the start of the financial year 2016	(8,071,796.58)	(56,347.17)	(8,128,143.74)
Depreciation for the financial year	(2,702,966.39)	(14,544.60)	(2,717,510.99)
Accumulated planned depreciation at the start of the financial year	(10,774,762.96)	(70,891.77)	(10,845,654.73)
Book value 31.3.2017	3,410,361.01	41,209.70	3,451,570.71

8. SHORT-TERM RECEIVABLES

	Eur	Rs.	Eur	Rs.
	31.3.2017	31.3.2017	31.3.2016	31.3.2016
Short-term receivables				
Receivables from companies in the same Group	44,776.84	3,101,243.94	0.00	0.00
Accounts receivable	1,305.50	90,418.93	2,997.68	207,619.32
Other receivables	2,050.24	141,999.62	1,643.47	113,826.73
Accrued income	15,869.60	1,099,128.50	17,153.21	1,188,031.32
TOTAL	64,002.18	4,432,790.99	21,794.36	1,509,477.37

LIABILITIES

	Eur	Rs.	Eur	Rs.
	31.3.2017	31.3.2017	31.3.2016	31.3.2016
9. EQUITY				
Share capital 1.1.	100,000.00	6,926,000.00	100,000.00	6,926,000.00
Share capital 31.3.	100,000.00	6,926,000.00	100,000.00	6,926,000.00
Invested unrestricted equity fund 1.1.2015	1,023,860.96	70,912,610.09	400,000.00	27,704,000.00
Additions	0.00			
Invested unrestricted equity fund 31.3.	1,023,860.96	70,912,610.09	1,023,860.96	70,912,610.09
Profit/loss from prev. financial period 1.10.	(1,007,107.75)	(69,752,282.77)	(928,231.07)	(64,289,283.91)
Profit/loss for the financial year	2.42	167.61	(78,876.68)	(5,462,998.86)
Total equity	116,755.63	8,086,494.93	116,753.21	8,086,327.32

The company has no distributable assets

10 SHORT-TERM BORROWED CAPITAL

	Eur	Rs.	Eur	Rs.
	31.3.2017	31.3.2017	31.3.2016	31.3.2016
Liabilities for companies in the same Group				
Trade payables	7548.62	522,817.42	78.39	5,429.29
Total short-term borrowed capital	7548.62	522,817.42	78.39	5,429.29
	Eur	Rs.	Eur	Rs.
Liabilities for others	31.3.2017	31.3.2017	31.3.2016	31.3.2016
Trade payables	3,809.73	263,861.90	16334.84	1,131,351.02
Other liabilities	1,426.72	98,814.63	3248.89	225,018.12
Accruals and deferred income ..	17,714.52	1,226,907.66	20842.92	1,443,580.64
Total short-term borrowed capital	22,950.97	1,589,584.18	40426.65	2,799,949.78

11 ITEMS INCLUDED IN ACCRUALS AND DEFERRED INCOME:

	Eur	Rs.	Eur	Rs.
	31.3.2017	31.3.2017	31.3.2016	31.3.2016
Salaries and holiday pay ...	10,237.59	709,055.48	18,663.87	1,292,659.64
employer pension contribution	3,156.93	218,648.97	0	0.00
Other	4,320	299,203.20	2,179.05	150,921.00
Total	17,714.52	1,226,907.66	20,842.92	1,443,580.64

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution.

Profit for the financial year EUR 2.42 (Rs. 167.61). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki April 24th 2017Iiro Rossi
Chair of the Board of DirectorsMarko Hiltunen
Board MemberJussi Valtola
Board Member

AUDITOR'S NOTE

A report of the audit has been submitted today.

Eero Suomela
KHT

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial Period commencing from April 1, 2016 and ended on March 31, 2017.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of other estate.

The Company's Resort Property is located at Lappeenranta, was fully operational.

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

Financial Highlights

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

During the period under review, the Company has earned a revenue of Euro 0 (RS 0) and made loss of Euro 1,619.19 (RS 112,145.10).

Dividends

No Dividend was proposed for the financial period under review.

Directors

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

- 1) Iiro Rossi
- 2) Riku Rauhala
- 3) Anne Oravainen

During the period under review, there is no change in the composition of the Board of Directors.

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion

of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is continued to be wholly owned subsidiary of Holiday Club Resorts Oy (HCR) and in turn of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

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

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Financial Statements as at March 31, 2017.

Acknowledgements

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

Signed on behalf of the Board of Directors
of Kiinteistö Oy Kylpyläntorni 1

Iiro Rossi
Chair of the Board of Directors

Place: Tampere
Dated: 24.4.2017

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Kylpyläntorni 1

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Kiinteistö Oy Kylpyläntorni 1 (business identity code 2498932-7) for the period ended 31 March 2017. The financial statements comprise the balance sheet, income statement and notes.

In my opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

I conducted my audit in accordance with good auditing practice in Finland. My responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to my audit, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance on whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

I 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 I identify during my audit.

Helsinki, 9 May 2017

Eero Suomela
Authorised Public Accountant, KHT

Nokkalankulma 7 B
02230 Espoo
FINLAND

PROFIT AND LOSS STATEMENT

	Eur	Rs.	Eur	Rs.
appendix	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.1.2015- 31.3.2016	1.1.2015- 31.3.2016
Other operating income	0.00	0.00	3,119.00	216,021.94
Property management expenses				
Administration	(1,432.78)	(99,234.34)	(1,887.50)	(130,728.25)
Property tax	(178.22)	(12,343.52)	(235.96)	(16,342.59)
Total	<u>(1,611.00)</u>	<u>(111,577.86)</u>	<u>(2,123.46)</u>	<u>(147,070.84)</u>
Profit(loss)	(1,611.00)	(111,577.86)	995.54	68,951.10
Financial income and expenses				
Interest charges	(8.19)	(567.24)	(1.51)	(104.58)
Total financial income and expenses	<u>(8.19)</u>	<u>(567.24)</u>	<u>(1.51)</u>	<u>(104.58)</u>
Profit before appropriations and taxes	<u>(1,619.19)</u>	<u>(112,145.10)</u>	<u>994.03</u>	<u>68,846.52</u>
Profit/loss for the financial year	<u>(1,619.19)</u>	<u>(112,145.10)</u>	<u>994.03</u>	<u>68,846.52</u>

BALANCE SHEET

		Eur	Rs.	Eur	Rs.
		31.3.2017	31.3.2017	31.3.2016	31.3.2016
ASSETS					
NON-CURRENT ASSETS					
Tangible assets					
Land areas.....	1	250,566.00	17,354,201.16	250,566.00	17,354,201.16
Total tangible assets.....		250,566.00	17,354,201.16	250,566.00	17,354,201.16
TOTAL NON-CURRENT ASSETS.....		250,566.00	17,354,201.16	250,566.00	17,354,201.16
CURRENT ASSETS					
Short-term receivables					
Cash and cash equivalents					
Cash at bank		1,865.92	129,233.62	1,014.05	70,233.10
Total cash and cash equivalents		1,865.92	129,233.62	1,014.05	70,233.10
TOTAL CURRENT ASSETS		1,865.92	129,233.62	1,014.05	70,233.10
TOTAL ASSETS		252,431.92	17,483,434.78	251,580.05	17,424,434.26
LIABILITIES					
EQUITY					
Share capital.....	2	2,500.00	173,150.00	2,500.00	173,150.00
Invested unrestricted equity fund.....		256,105.79	17,737,887.02	253,632.60	17,566,593.88
Profit(loss) from previous years.....		(4,599.74)	(318,577.99)	(5,593.77)	(387,424.51)
Profit(loss) for the financial year.....		(1,619.19)	(112,145.10)	994.03	68,846.52
TOTAL EQUITY		252,386.86	17,480,313.92	251,532.86	17,421,165.88
BORROWED CAPITAL					
Short-term borrowed capital					
Accruals and deferred income	3	45.06	3,120.86	47.19	3,268.38
Total short-term borrowed capital		45.06	3,120.86	47.19	3,268.38
TOTAL LIABILITIES.....		252,431.92	17,483,434.78	251,580.05	17,424,434.26

ACCOUNTING PRINCIPLES

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015).

Valuation principles

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value.

Revenues and expenses are amortised on an accruals basis.

Comparability of the previous financial year data

The reference figures used are from the 1.1.2015 - 31.3.2016 financial period, i.e. a fifteen-month period.

This shall be taken into account when comparing financial years.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.

Hitsaajankatu 22, 00810 Helsinki

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 69.26 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1. TANGIBLE ASSETS

	Eur	Rs.
	Land areas	Land areas
Acquisition cost 1.4.	250,566.00	17,354,201.16
Acquisition cost 31.3.	<u>250,566.00</u>	<u>17,354,201.16</u>
Book value 31.3.	<u><u>250,566.00</u></u>	<u><u>17,354,201.16</u></u>

2. LIABILITIES

	Eur	Rs.	Eur	Rs.
	2017	2017	2016	2016
EQUITY				
Share capital in the beginning of the year	2,500.00	173,150.00	2,500.00	173,150.00
Share capital in the end of the year	<u>2,500.00</u>	<u>173,150.00</u>	<u>2,500.00</u>	<u>173,150.00</u>
Invested unrestricted equity fund in the beginning of the year	253,632.60	17,566,593.88	253,632.60	17,566,593.88
Lisäykset	2,473.19	171,293.14	0.00	0.00
Invested unrestricted equity fund in the end of the year	<u>256,105.79</u>	<u>17,737,887.02</u>	<u>253,632.60</u>	<u>17,566,593.88</u>
Profit/loss from prev. financial period	(4,599.74)	(318,577.99)	(5,593.77)	(387,424.51)
Profit/loss for the financial year.....	(1,619.19)	(112,145.10)	994.03	68,846.52
TOTAL EQUITY	<u><u>252,386.86</u></u>	<u><u>17,480,313.92</u></u>	<u><u>251,532.86</u></u>	<u><u>17,421,165.88</u></u>

3. BORROWED CAPITAL

	Eur	Rs.	Eur	Rs.
	2017	2017	2016	2016
Accruals and deferred income.....	45.06	3,120.86	47.19	3,268.38
Total borrowed capital	<u><u>45.06</u></u>	<u><u>3,120.86</u></u>	<u><u>47.19</u></u>	<u><u>3,268.38</u></u>

BREAKDOWN OF SHARE CAPITAL

	2017		2016	
Eur	No.	Eur	No.	Eur
1 vote/share	100.00	2,500.00	100.00	2,500.00
TOTAL	<u><u>100.00</u></u>	<u><u>2,500.00</u></u>	<u><u>100.00</u></u>	<u><u>2,500.00</u></u>

	2017		2016	
Rs	No.	Rs.	No.	Rs.
1 vote/share	100.00	173,150.00	100.00	173,150.00
TOTAL	<u><u>100.00</u></u>	<u><u>173,150.00</u></u>	<u><u>100.00</u></u>	<u><u>173,150.00</u></u>

OTHER NOTES

PERPETUAL EASEMENTS, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

In the deed dated 29 October 2013, Kiinteistö Oy Kylpyläntorni 1 is obligated to refrain from selling or otherwise transferring undeveloped lots to any party other than those given advance approval by the City based on a written application submitted to it.

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki, 24 April 2017

Iiro Rossi

Chair of the Board of Director

Riku Rauhala

Board Member

Anne Oravainen

Board Member

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR 1,619.19 (Rs 112,145.10). The Board of Directors proposes to the Annual General Meeting that the profit be transferred to equity and that no dividends be distributed.

AUDITOR'S NOTE

A report of the audit has been submitted today.

Eero Suomela

Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial Period commencing from April 1, 2016 and ended on March 31, 2017.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of other estate.

The Company's Resort Property is located at Lappeenranta, was fully operational.

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

Financial Highlights

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

During the period under review, the Company has earned a revenue of Euro 0 (RS 0) and made loss of Euro 1,268.96 (RS 87,888.17).

Dividends

No Dividend was proposed for the financial period under review.

Directors

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

- 1) Riku Rauhala
- 2) Anne Oravainen
- 3) Tapio Anttila
- 4) Mikko Litmanen

During the period under review, there is no change in the composition of the Board of Directors.

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion

of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is continued to be wholly owned subsidiary of Holiday Club Resorts Oy (HCR) and in turn of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

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

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Financial Statements as at March 31, 2017.

Acknowledgements

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

Signed on behalf of the Board of Directors
of Kiinteistö Oy Spa Lofts 2

Riku Rauhala

Chair of the Board of Directors

Place : Tampere
Dated : 24.4.2017

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteisto Oy Spa Lofts 2

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Kiinteisto Oy Spa Lofts 2 (business identity code 2428891 -8) for the period ended 31 March 2017. The financial statements comprise the balance sheet, income statement and notes.

In my opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

I conducted my audit in accordance with good auditing practice in Finland. My responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to my audit, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance on whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

I 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 I identify during my audit.

Helsinki, 9 May 2017

Eero Suomela

Authorised Public Accountant, KHT

Nokkalankulma 7 B
02230 Espoo
FINLAND

ACCOUNTING PRINCIPLES

Valuation principles

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015)

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value.

Revenues and expenses are amortised on an accruals basis.

Comparability of the previous financial year data

The reference figures used are from the 1.1.2015 - 31.3.2016 financial period, i.e. a fifteen-month period.

This shall be taken into account when comparing financial years.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.

Hitsaajankatu 22, 00810 Helsinki

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 69.26 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

PROFIT AND LOSS STATEMENT

	Eur	Rs	Eur	Rs
	1.4.2016	1.4.2016	1.1.2015	1.1.2015
	-31.3.2017	-31.3.2017	-31.3.2016	-31.3.2016
Property management expenses				
Administration.....	(1,132.76)	(78,454.96)	(601.70)	(41,673.74)
Outdoor area management	0.00	0.00	(2,430.40)	(168,329.50)
Property tax	(136.20)	(9,433.21)	(170.25)	(11,791.52)
Total	<u>(1,268.96)</u>	<u>(87,888.17)</u>	<u>(3,202.35)</u>	<u>(221,794.76)</u>
Profit(loss)	(1,268.96)	(87,888.17)	(3,202.35)	(221,794.76)
Financial income and expenses				
Interest charges.....	0.00	0.00	(56.10)	(3,885.49)
Total financial income and expenses.....	<u>0.00</u>	<u>0.00</u>	<u>(56.10)</u>	<u>(3,885.49)</u>
Profit before appropriations and taxes.....	<u>(1,268.96)</u>	<u>(87,888.17)</u>	<u>(3,258.45)</u>	<u>(225,680.25)</u>
Profit/loss for the financial year	<u>(1,268.96)</u>	<u>(87,888.17)</u>	<u>(3,258.45)</u>	<u>(225,680.25)</u>

BALANCE SHEET

	appendix	Eur 31.3.2017	Rs 31.3.2017	Eur 31.3.2016	Rs 31.3.2016
ASSETS					
NON-CURRENT ASSETS					
Tangible assets	1				
Land areas.....		<u>142,350.28</u>	<u>9,859,180.39</u>	<u>142,350.28</u>	<u>9,859,180.39</u>
Total tangible assets.....		<u>142,350.28</u>	<u>9,859,180.39</u>	<u>142,350.28</u>	<u>9,859,180.39</u>
TOTAL NON-CURRENT ASSETS.....		<u>142,350.28</u>	<u>9,859,180.39</u>	<u>142,350.28</u>	<u>9,859,180.39</u>
CURRENT ASSETS					
Cash and cash equivalents					
Cash at bank		<u>2,677.93</u>	<u>185,473.43</u>	<u>3,562.09</u>	<u>246,710.35</u>
Total cash and cash equivalents		<u>2,677.93</u>	<u>185,473.43</u>	<u>3,562.09</u>	<u>246,710.35</u>
TOTAL CURRENT ASSETS		<u>2,677.93</u>	<u>185,473.43</u>	<u>3,562.09</u>	<u>246,710.35</u>
TOTAL ASSETS		<u>145,028.21</u>	<u>10,044,653.82</u>	<u>145,912.37</u>	<u>10,105,890.75</u>
LIABILITIES					
EQUITY					
Share capital.....	2	2,500.00	173,150.00	2,500.00	173,150.00
Building fund		139,130.28	9,636,163.19	139,130.28	9,636,163.19
Invested unrestricted equity fund.....		7,891.29	546,550.75	6,291.29	435,734.75
Profit(loss) from previous years.....		(3,258.45)	(225,680.25)	0.00	0.00
Profit(loss) for the financial year.....		(1,268.96)	(87,888.17)	(3,258.45)	(225,680.25)
TOTAL EQUITY		<u>144,994.16</u>	<u>10,042,295.52</u>	<u>144,663.12</u>	<u>10,019,367.69</u>
BORROWED CAPITAL					
Short-term borrowed capital	3				
Accruals and deferred income		<u>34.05</u>	<u>2,358.30</u>	<u>1,249.25</u>	<u>86,523.06</u>
Total short-term borrowed capital		<u>34.05</u>	<u>2,358.30</u>	<u>1,249.25</u>	<u>86,523.06</u>
TOTAL LIABILITIES.....		<u>145,028.21</u>	<u>10,044,653.82</u>	<u>145,912.37</u>	<u>10,105,890.75</u>

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1 TANGIBLE ASSETS

	Eur	Rs
	Land areas	Land areas
Acquisition cost 1.4.....	142,350.28	9,859,180.39
Acquisition cost 31.3.....	142,350.28	9,859,180.39
Book value 31.3.....	142,350.28	9,859,180.39

2 LIABILITIES

	Eur	Rs	Eur	Rs
	2017	2017	2016	2016
EQUITY				
Share capital in the beginning of the year.....	2,500.00	173,150.00	2,500.00	173,150.00
Share capital in the end of the year.....	2,500.00	173,150.00	2,500.00	173,150.00
Building fund in the beginning of the year.....	139,130.28	9,636,163.19	139,130.28	9,636,163.19
Building fund in the end of the year.....	139,130.28	9,636,163.19	139,130.28	9,636,163.19
Invested unrestricted equity fund in the beginning of the year.....	6,291.29	435,734.75	0.00	0.00
Additions.....	1,600.00	110,816.00	6,291.29	435,734.75
Invested unrestricted equity fund in the end of the year.....	7,891.29	546,550.75	6,291.29	435,734.75
Profit/loss from prev. financial period.....	(3,258.45)	(225,680.25)	0.00	0.00
Profit/loss for the financial year.....	(1,268.96)	(87,888.17)	(3,258.45)	(225,680.25)
Total equity.....	144,994.16	10,042,295.52	144,663.12	10,019,367.69

3 SHORT-TERM BORROWED CAPITAL

	Eur	Rs	Eur	Rs
	2017	2017	2016	2016
Accruals and deferred income.....	34.05	2,358.30	1,249.25	86,523.06
Total short-term borrowed capital.....	34.05	2,358.30	1,249.25	86,523.06

BREAKDOWN OF SHARE CAPITAL

	2017		2016	
Eur	No.	Eur	No.	Eur
1 vote/share.....	100.00	2,500.00	100.00	2,500.00
Total.....	100.00	2,500.00	100.00	2,500.00

	2017		2016	
Rs	No.	Rs	No.	Rs
1 vote/share.....	100.00	173,150.00	100.00	173,150.00
Total.....	100.00	173,150.00	100.00	173,150.00

OTHER NOTES**Easements**

The company is hereby obligated under the following easement agreements:

Easement agreement signed on 31 May 2011. Concerns motor vehicle road and pedestrian access and rescue services access.

Easement agreement signed on 29 October 2014. Kiinteistö Oy Lappeenranta-owned Saimaan Kreivi is entitled to build three parking spaces and rescue services access.

Easement agreement signed on 31 October 2014. Spa Lofts 2 is entitled to build rescue services access to the Saimaan Action Park Oy lot.

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR 1,268.96 (Rs 87,888.17). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS**DATE AND SIGNATURES**

Helsinki April 24th, 2017

Riku Rauhala
Chair of the Board of Directors

Tapio Anttila
Board Member

Anne Oravainen
Board Member

Mikko Litmanen
CEO

AUDITOR'S NOTE

A report of the audit has been submitted today.

Eero Suomela
Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial Period commencing from April 1, 2016 and ended on March 31, 2017.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of other estate.

The Company's Resort Property is located at Lappeenranta, was fully operational.

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

Financial Highlights

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

During the period under review, the Company has earned a revenue of Euro 0 (RS 0) and made loss of Euro 1,549.40 (RS 107,311.44).

Dividends

No Dividend was proposed for the financial period under review.

Directors

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

- 1) Riku Rauhala
- 2) Anne Oravainen
- 3) Tapio Anttila
- 4) Mikko Litmanen

During the period under review, there is no change in the composition of the Board of Directors.

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion

of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is continued to be wholly owned subsidiary of Holiday Club Resorts Oy (HCR) and in turn of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

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

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Financial Statements as at March 31, 2017.

Acknowledgements

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

Signed on behalf of the Board of Directors
of Kiinteistö Oy Spa Lofts 3

Riku Rauhala
Chair of the Board of Directors

Place : Tampere
Dated : 24.4.2017

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Spa Lofts 3

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Kiinteistö Oy Spa Lofts 3 (business identity code 2428894-2) for the period ended 31 March 2017. The financial statements comprise the balance sheet, income statement and notes.

In my opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

I conducted my audit in accordance with good auditing practice in Finland. My responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to my audit, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance on whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it

exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

I 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 I identify during my audit.

Helsinki, 9 May 2017

Eero Suomela
Authorised Public Accountant, KHT

Nokkalankulma 7 B
02230 Espoo
FINLAND

ACCOUNTING PRINCIPLES

Valuation principles

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015)

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value. Revenues and expenses are amortised on an accruals basis.

Comparability of the previous financial year data

The reference figures used are from the 1.1.2015 - 31.3.2016 financial period, i.e. a fifteen-month period.

This shall be taken into account when comparing financial years.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy. Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters. Hitsaajankatu 22, 00810 Helsinki

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 69.26 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

PROFIT AND LOSS STATEMENT

	Eur	Rs	Eur	Rs
	1.4.2016- 31.3.2017	1.4.2016- 31.3.2017	1.1.2015- 31.3.2016	1.1.2015- 31.3.2016
Property management expenses				
Administration	(1,180.92)	(81,790.52)	(602.82)	(41,751.31)
Outdoor area management	0.00	0.00	(2,430.40)	(168,329.50)
Property tax	(365.48)	(25,313.14)	(456.83)	(31,640.05)
Total	<u>(1,546.40)</u>	<u>(107,103.66)</u>	<u>(3,490.05)</u>	<u>(241,720.86)</u>
Profit(loss)	(1,546.40)	(107,103.66)	(3,490.05)	(241,720.86)
Financial income and expenses				
Interest charges	(3.00)	(207.78)	(46.70)	(3,234.44)
Total financial income and expenses	<u>(3.00)</u>	<u>(207.78)</u>	<u>(46.70)</u>	<u>(3,234.44)</u>
Profit before appropriations and taxes	<u>(1,549.40)</u>	<u>(107,311.44)</u>	<u>(3,536.75)</u>	<u>(244,955.31)</u>
Profit/loss for the financial year	<u>(1,549.40)</u>	<u>(107,311.44)</u>	<u>(3,536.75)</u>	<u>(244,955.31)</u>

BALANCE SHEET

	appendix	Eur 31.3.2017	Rs 31.3.2017	Eur 31.3.2016	Rs 31.3.2016
ASSETS					
NON-CURRENT ASSETS					
Tangible assets	1				
Land areas.....		<u>140,090.60</u>	<u>9,702,674.96</u>	<u>140,090.60</u>	<u>9,702,674.96</u>
Total tangible assets.....		<u>140,090.60</u>	<u>9,702,674.96</u>	<u>140,090.60</u>	<u>9,702,674.96</u>
TOTAL NON-CURRENT ASSETS.....		<u>140,090.60</u>	<u>9,702,674.96</u>	<u>140,090.60</u>	<u>9,702,674.96</u>
CURRENT ASSETS					
Short-term receivables					
Cash and cash equivalents					
Cash at bank.....		<u>2,867.09</u>	<u>198,574.65</u>	<u>3,531.69</u>	<u>244,604.85</u>
Total cash and cash equivalents.....		<u>2,867.09</u>	<u>198,574.65</u>	<u>3,531.69</u>	<u>244,604.85</u>
TOTAL CURRENT ASSETS.....		<u>2,867.09</u>	<u>198,574.65</u>	<u>3,531.69</u>	<u>244,604.85</u>
TOTAL ASSETS.....		<u>142,957.69</u>	<u>9,901,249.61</u>	<u>143,622.29</u>	<u>9,947,279.81</u>
LIABILITIES					
EQUITY					
Share capital.....	2	2,500.00	173,150.00	2,500.00	173,150.00
Building fund.....		137,110.60	9,496,280.16	137,110.60	9,496,280.16
Invested unrestricted equity fund.....		8,341.89	577,759.30	6,241.89	432,313.30
Profit(loss) from previous years.....		(3,536.75)	(244,955.31)	0.00	0.00
Profit(loss) for the financial year.....		(1,549.40)	(107,311.44)	(3,536.75)	(244,955.31)
TOTAL EQUITY.....		<u>142,866.34</u>	<u>9,894,922.71</u>	<u>142,315.74</u>	<u>9,856,788.15</u>
BORROWED CAPITAL					
Short-term borrowed capital					
Accruals and deferred income.....	3	<u>91.35</u>	<u>6,326.90</u>	<u>1,306.55</u>	<u>90,491.65</u>
Total short-term borrowed capital.....		<u>91.35</u>	<u>6,326.90</u>	<u>1,306.55</u>	<u>90,491.65</u>
TOTAL LIABILITIES.....		<u>142,957.69</u>	<u>9,901,249.61</u>	<u>143,622.29</u>	<u>9,947,279.81</u>

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1 TANGIBLE ASSETS

	Eur	Rs
	Land areas	Land areas
Acquisition cost 1.4.....	140,090.60	9,702,674.96
Acquisition cost 31.3.....	140,090.60	9,702,674.96
Book value 31.3.....	140,090.60	97,02,674.96

2 LIABILITIES

	Eur	Rs	Eur	Rs
	2017	2017	2016	2016
EQUITY				
Share capital in the beginning of the year.....	2,500.00	173,150.00	2,500.00	173,150.00
Share capital in the end of the year.....	2,500.00	173,150.00	2,500.00	173,150.00
Building fund in the beginning of the year.....	137,110.60	9,496,280.16	137,110.60	9,496,280.16
Building fund in the end of the year.....	137,110.60	9,496,280.16	137,110.60	9,496,280.16
Invested unrestricted equity fund in the beginning of the year.....	6,241.89	432,313.30	0.00	0.00
Additions.....	2,100.00	145,446.00	6,241.89	432,313.30
Invested unrestricted equity fund in the end of the year.....	8,341.89	577,759.30	6,241.89	432,313.30
Profit/loss from prev. financial period.....	(3,536.75)	(244,955.31)	0.00	0.00
Profit/loss for the financial year.....	(1,549.40)	(107,311.44)	(3,536.75)	(244,955.31)
Total equity.....	142,866.34	9,894,922.71	142,315.74	9,856,788.15

3 SHORT-TERM BORROWED CAPITAL

	Eur	Rs	Eur	Rs
	2017	2017	2016	2016
Accruals and deferred income.....	91.35	6,326.90	1,306.55	90,491.65
Total borrowed capital.....	91.35	6,326.90	1,306.55	90,491.65

BREAKDOWN OF SHARE CAPITAL

	2017		2016	
Eur	No.	Eur	No.	Eur
1 vote/share	100.00	2,500.00	100.00	2,500.00
Total.....	100.00	2,500.00	100.00	2,500.00

	2017		2016	
Rs	No.	Rs.	No.	Rs.
1 vote/share	100.00	173,150.00	100.00	173,150.00
TOTAL.....	100.00	173,150.00	100.00	173,150.00

OTHER NOTES

Easements

The company is hereby obligated under the following easement agreements:

Easement agreement signed on 31 May 2011. Concerns motor vehicle road and pedestrian access and rescue services access.

Easement agreement signed on 29 October 2014. Spa Lofts 2 is entitled to build five parking spaces and rescue services access.

Mortgages

Real property owned by the company has been mortgaged as collateral for liabilities set under an agreement signed by Holiday Club Resorts Oy.

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki April 24th 2017

Riku Rauhala

Chair of the Board of Director

Tapio Anttila

Board Member

Anne Oravainen

Board Member

Mikko Litmanen

CEO

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR 1,549.40 (Rs 107,311.44). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

AUDITOR'S NOTE

A report of the audit has been submitted today.

Eero Suomela

Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial Period commencing from April 1, 2016 and ended on March 31, 2017.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of other estate.

The Company's Resort Property is located at Kuusamo, was fully operational.

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

Financial Highlights

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

During the period under review, the Company has earned a revenue of Euro 12,528.00 (RS 867,689.28) and made profit of Euro 1,423.47 (RS 98,589.53).

Dividends

No Dividend was proposed for the financial period under review.

Directors

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

- 1) Riku Rauhala
- 2) Anne Oravainen
- 3) Tapio Anttila

During the period under review, Henri Nuora resigned and Tapio Anttila appointed as Director of the Company with effect from June 20, 2016

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion

of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is continued to be wholly owned subsidiary of Holiday Club Resorts Oy (HCR) and in turn of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

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

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Financial Statements as at March 31, 2017.

Acknowledgements

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

Signed on behalf of the Board of Directors
of Kiinteistö Oy Kuusamon Pulkajärvi 1

Tapio Anttila
Chair of the Board of Directors

Place : Tampere
Dated : 24.4.2017

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Kuusamon Pulkkejärvi 1

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Kiinteistö Oy Kuusamon Pulkkejärvi 1 (business identity code 0780839-5) for the period ended 31 March 2017. The financial statements comprise the balance sheet, income statement and notes.

In my opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

I conducted my audit in accordance with good auditing practice in Finland. My responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to my audit, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance on whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it

exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

I 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 I identify during my audit.

Helsinki, 9 May 2017

Eero Suomela
Authorised Public Accountant, KHT

Nokkalankulma 7 B
02230 Espoo
FINLAND

PROFIT AND LOSS STATEMENT

	Eur	Rs	Eur	Rs
	1.4.2016 -31.3.2017	1.4.2016 -31.3.2017	1.10.2014 -31.3.2016	1.10.2014 -31.3.2016
appendix				
TURNOVER				
Rent income	12,528.00	867,689.28	22,842.00	1,582,036.92
Total	12,528.00	867,689.28	22,842.00	1,582,036.92
Depreciation				
	1			
Buildings and structures	(4,142.29)	(286,895.01)	(6,472.26)	(448,268.73)
Total	(4,142.29)	(286,895.01)	(6,472.26)	(448,268.73)
Property management expenses				
Administration	(1,208.87)	(83,726.34)	(1,128.48)	(78,158.52)
Outdoor area management	(357.00)	(24,725.82)	0.00	0.00
Water and sewage	13.88	961.33	(71.33)	(4,940.32)
Electricity	(1,064.89)	(73,754.28)	(2,324.26)	(160,978.25)
Property tax	(284.38)	(19,696.16)	(516.50)	(35,772.79)
Repairs	(936.95)	(64,893.16)	0.00	0.00
Other expenses	0.00	0.00	0.00	0.00
Total	(3,838.21)	(265,834.42)	(4,040.57)	(279,849.88)
Profit(loss)	4,547.50	314,959.85	12,329.17	853,918.31
Financial income and expenses				
Interest charges	(2,222.34)	(153,919.27)	(3,946.24)	(273,316.58)
Total financial income and expenses	(2,222.34)	(153,919.27)	(3,946.24)	(273,316.58)
Profit before appropriations and taxes	2,325.16	161,040.58	8,382.93	580,601.73
Other direct taxes				
Direct taxes	(901.69)	(62,451.05)	(1,680.21)	(116,371.34)
Total	(901.69)	(62,451.05)	(1,680.21)	(116,371.34)
Profit/loss for the financial year	1,423.47	98,589.53	6,702.72	464,230.39

BALANCE SHEET

		Eur	Rs	Eur	Rs
	appendix	31.3.2017	31.3.2017	31.3.2016	31.3.2016
ASSETS					
NON-CURRENT ASSETS					
Tangible assets	2				
Land areas.....		248,581.74	17,216,771.31	248,581.74	17,216,771.31
Buildings and structures.....		97,257.52	6,736,055.84	101,399.81	7,022,950.84
Total tangible assets.....		345,839.26	23,952,827.15	349,981.55	24,239,722.15
TOTAL NON-CURRENT ASSETS.....		345,839.26	23,952,827.15	349,981.55	24,239,722.15
CURRENT ASSETS					
Short-term receivables	3				
Accrued income.....		0.00	0.00	44.36	3,072.37
Total short-term receivables.....		0.00	0.00	44.36	3,072.37
Cash and cash equivalents					
Cash at bank.....		13,047.04	903,637.99	13,681.31	947,567.53
Total cash and cash equivalents.....		13,047.04	903,637.99	13,681.31	947,567.53
TOTAL CURRENT ASSETS.....		13,047.04	903,637.99	13,725.67	950,639.90
TOTAL ASSETS.....		358,886.30	24,856,465.14	363,707.22	25,190,362.06
LIABILITIES					
EQUITY					
Share capital.....	4	2,522.81	174,729.82	2,522.81	174,729.82
Building fund.....		82,860.58	5,738,923.77	82,860.58	5,738,923.77
Other equity.....		170,766.78	11,827,307.18	170,766.78	11,827,307.18
Profit(loss) from previous years.....		17,274.42	1,196,426.33	10,571.70	732,195.94
Profit(loss) for the financial year.....		1,423.47	98,589.53	6,702.72	464,230.39
TOTAL EQUITY.....		274,848.06	19,035,976.64	273,424.59	18,937,387.10
BORROWED CAPITAL					
Short-term borrowed capital	5				
Other loans group companies.....		83,933.04	5,813,202.35	89,711.08	6,213,389.40
Accruals and deferred income.....		105.20	7,286.15	571.55	39,585.55
Total short-term borrowed capital.....		84,038.24	5,820,488.50	90,282.63	6,252,974.95
TOTAL LIABILITIES.....		358,886.30	24,856,465.14	363,707.22	25,190,362.06

ACCOUNTING PRINCIPLES

Valuation principles

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015).

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value. Revenues and expenses are amortised on an accruals basis.

4% of the buildings were written off during the financial year.

Comparability of the previous financial year data

The reference figures used are from the 1.10.2015-31.3.2016 financial period, i.e. a eighteenth-month period.

This shall be taken into account when comparing financial years.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy. Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters. Hitsaajankatu 22, 00810 Helsinki

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 69.26 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India

NOTES TO THE PROFIT AND LOSS STATEMENT

1 Depreciation and impairments

	Eur 2017	Rs 2017	Eur 2016	Rs 2016
Buildings and structures	4,142.29	286,895.01	6,472.26	448,268.73
Total	4,142.29	286,895.01	6,472.26	448,268.73

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

2 Tangible assets

	Land areas	Buildings and structures	Total
Eur			
Acquisition cost 1.4.	248,581.74	121,796.28	370,378.02
Additions	0.00	0.00	0.00
Acquisition cost 31.3.	248,581.74	121,796.28	370,378.02
Accumulated depreciation 1.4.	0.00	20,396.47	20,396.47
Depreciation for the financial year	0.00	4,142.29	4,142.29
Book value 31.3.	248,581.74	97,257.52	345,839.26

	Land areas	Buildings and structures	Total
Rs			
Acquisition cost 1.4.	17,216,771.31	8,435,610.35	25,652,381.67
Additions	0.00	0.00	0.00
Acquisition cost 31.3.	17,216,771.31	8,435,610.35	25,652,381.67
Accumulated depreciation 1.4.	0.00	1,412,659.51	1,412,659.51
Depreciation for the financial year	0.00	286,895.01	286,895.01
Book value 31.3.	17,216,771.31	6,736,055.84	23,952,827.15

CURRENT ASSETS

RECEIVABLES

3 Short-term receivables

	Eur 2017	Rs 2017	Eur 2016	Rs 2016
Other accrued income	0.00	0.00	44.36	3,072.37
Total	0.00	0.00	44.36	3,072.37

LIABILITIES

4 Equity

	Eur 2017	Rs 2017	Eur 2016	Rs 2016
Share capital in the beginning of the year	2,522.81	174,729.82	2,522.81	174,729.82
Share capital in the end of the year	2,522.81	174,729.82	2,522.81	174,729.82
Building fund in the beginning of the year	82,860.58	5,738,923.77	82,860.58	5,738,923.77
Building fund in the end of the year	82,860.58	5,738,923.77	82,860.58	5,738,923.77
Other restricted equity in the beginning of the year	170,766.78	11,827,307.18	170,766.78	11,827,307.18
Other restricted equity in the end of the year	170,766.78	11,827,307.18	170,766.78	11,827,307.18
Profit/loss from prev. financial period	17,274.42	1,196,426.33	10,571.70	732,195.94

	Eur 2017	Rs 2017	Eur 2016	Rs 2016
Profit/loss for the financial year	1,423.47	98,589.53	6,702.72	464,230.39
Total equity	274,848.06	19,035,976.64	273,424.59	18,937,387.10

5 Short-term borrowed capital

	Eur 2017	Rs 2017	Eur 2016	Rs 2016
Other loans group companies	83,933.04	5,813,202.35	89,711.08	6,213,389.40
Accruals and deferred income	69.66	4,824.65	571.55	39,585.55
Tax liabilities	35.54	2,461.50	0.00	0.00
Total borrowed capital	84,038.24	5,820,488.50	90,282.63	6,252,974.95

BREAKDOWN OF SHARE CAPITAL

	2017 No.	Eur	2016 No.	Eur
1 vote/share	30.00	2,522.81	30.00	2,522.81
Total	30.00	2,522.81	30.00	2,522.81

	2017 No.	Rs	2016 No.	Rs
1 vote/share	30.00	174,729.82	30.00	174,729.82
Total	30.00	174,729.82	30.00	174,729.82

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Profit for the financial year EUR 1,423.47 (Rs 98,589.53). The Board of Directors proposes to the Annual General Meeting that the profit be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki, April 24th 2017

Tapio Anttila
Chair of the Board of Directors

Riku Rauhala
CEO/board member

Anne Oravainen
board member

AUDITOR'S NOTE

A report of the audit has been submitted today.

Eero Suomela
Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from April 1, 2016 and ended on March 31, 2017.

Operations/State of The Company's Affairs

The Company is primarily engaged in hotel operating business with associated spa, indoor pools and restaurants.

The Company's Resort property located at Åre, was fully operational.

The Company was taking over Hotel operation on December 1, 2015.

Financial Highlights

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

During the period under review, the Company has earned a revenue of SEK 116,002,436 (INR 842,177,685) and made loss of SEK -8,559,026 (INR -62,138,529).

Dividends

No dividend was proposed for the financial year ended March 31, 2017.

Directors

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

- 1) Mats Svensson
- 2) Marko Hiltunen
- 3) Iiro Rossi

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion

of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is subsidiary of Holiday Club Sweden AB and in turn subsidiary of Holiday Club Resorts Oy (HCR) and in turn subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

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

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2017.

Acknowledgements

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

Signed on behalf of the Board of Directors
of Holiday Club Sport and Spahotels AB

Mats Svensson
Director

Marko Hiltunen
Director

Iiro Rossi
Director

Place : Åre
Dated : April 30, 2017

AUDITOR'S REPORT

To the general meeting of the shareholders of Holiday Club Sport and Spa Hotels AB, corporate identity number 559032-5733

Report on the annual accounts

Opinions

We have audited the annual accounts of Holiday Club Sport and Spa Hotels AB for the year 2016-04-01-2017-03-31.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Holiday Club Sport and Spa Hotels AB as of 31 March 2017 and its financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Holiday Club Sport and Spa Hotels AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is not applied if decision has been taken to discontinue the operations.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material

misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, 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 opinions. 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 the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any 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 annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. 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 annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Holiday Club Sport and Spa Hotels AB for the year 2016-04-01-2017-03-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Holiday Club Sport and Spa Hotels AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Sundsvall april 2017
Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
 Authorized Public Accountant

ADMINISTRATION REPORT

Operations

Information regarding the operations

The Company conducts hotel operations with associated spa, indoor pools and restaurants.

Operations in the company started on 1 December 2015 through the takeover of its hotel operations from IN - Invest i Norrland AB, 556843-0754.

The company has its registered office in the municipality of Åre.

	Share of voting rights	Participating interest
Holiday Club Sweden AB	51%	51%
Aktive Travel Management i Åre AB	41.5%	41.5%
Pernilla Margaretha Gravenfors	7.5%	7.5%

In this annual report FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 7.26 = FC 1 which is the Bloomberg rate as on 31st March 2017

Multi-year review

	2016/17 kSEK	2016/17 kINR	2015/16 kSEK	2015/16 kINR
Net sales	109,961	798,317	54,774	397,657
Profit/loss after financial items	(11,715)	(85,051)	5,408	39,262
Equity/assets ratio	10.7%	10.7%	35.6%	35.6%

Changes in equity

	Share capital	Share premium reserve	Retained earnings	Net profit/loss for the year	Total
Amount at beginning of year according to adopted balance sheet	1.000 kSEK 7.260 kINR	12.000 kSEK 87.120 kINR		1.753 kSEK 12.729 kINR	14.753 kSEK 107.109 kINR
Appropriation of profits as resolved by the AGM			1.753 kSEK 12.729 kINR	(1.753) kSEK (12.729) kINR	
Net profit/loss for the year				(8.559) kSEK (62.138) kINR	(8.559) kSEK (62.138) kINR
Balance at year-end	1.000 kSEK 7.260 kINR	12.000 kSEK 87.120 kINR	1.753 kSEK 12.729 kINR	(8.559) kSEK (62.138) kINR	6.194 kSEK 44.970 kINR

Proposed appropriation of profits

	SEK	INR
The following profits are at the disposal of the Annual General Meeting:		
Share premium reserve	12,000,000	87,120,000
Profit/loss brought forward	1,753,318	12,729,089
Profit/Loss for the year	(8,559,026)	(62,138,529)
Total	<u>5,194,292</u>	<u>37,710,560</u>
The Board of Directors proposes that the available profits be appropriated as follows:		
Dividend to shareholders	5,194,292	37,710,560
Total	<u>5,194,292</u>	<u>37,710,560</u>

Significant events during and after the end of the financial year

During the fiscal year, the company invested and completed:

- * New kitchen in Olearys
- * New gym with a franchise agreement with SATS
- * New restaurant with a new food concept
- * Renovation of the lobby
- * New store

The company has also worked on a new concept based on movement, food pleasure and "time together" for the guests. The maintarget are families with children up to 13 years and groups and companies.

The company has recruited new key personnel like;

- * Food and Beverage
- * Operation Manager
- * Marketing Director
- * Three new sellers

The new concept has been well received by the guests and the company will keep on developing the concept and the organization. A new CFO will begin in the company in April and will build a separate finance department for the hotel. Previously, this service has been outsourced.

INCOME STATEMENT

	01 April 2016 – 31 Mar 2017	01 April 2016 – 31 Mar 2017	29 Oct 2015 – 31 Mar 2016	29 Oct 2015 – 31 Mar 2016
Note	SEK	INR	SEK	INR
Operating income, changes in inventory, etc.				
Net sales	109,961,454	798,320,156	54,773,674	397,656,873
Other operating income	6,040,982	43,857,529	792,495	5,753,514
Total operating income, changes in inventory, etc.	116,002,436	842,177,685	55,566,169	403,410,387
Operating expenses				
Raw materials and consumables.....	(13,846,112)	(100,522,773)	(6,464,239)	(46,930,375)
Other external expenses	(77,233,974)	(560,718,651)	(30,087,756)	(218,437,109)
Personnel costs	(32,478,194)	(235,791,688)	(12,329,292)	(89,510,660)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets.....	(3,775,450)	(27,409,767)	(1,159,869)	(8,420,649)
Total operating expenses.....	(127,333,730)	(924,442,880)	(50,041,156)	(363,298,793)
Operating profit/loss.....	(11,331,294)	(82,265,194)	5,525,013	40,111,594
Financial items				
Share of profits from interests in associates.....	(14,302)	(103,833)	–	–
Other interest income and similar profit/loss items....	(4,988)	(36,213)	335	2,432
Interest and similar expenses	(364,006)	(2,642,684)	(117,295)	(851,562)
Total financial items.....	(383,296)	(2,782,729)	(116,960)	(849,130)
Profit/Loss after financial items.....	(11,714,590)	(85,047,923)	5,408,053	39,262,465
Appropriations				
Changes in tax allocation reserves.....	3,155,564	22,909,395	(3,155,564)	(22,909,395)
Total appropriations.....	3,155,564	22,909,395	(3,155,564)	(22,909,395)
Profit/Loss before tax.....	(8,559,026)	(62,138,529)	2,252,489	16,353,070
Taxes				
Tax on profit for the year	0	0	(499,171)	(3,623,981)
Profit/Loss for the year.....	(8,559,026)	(62,138,529)	1,753,318	12,729,089

BALANCE SHEET

	Note	31 Mar 2017 SEK	31 Mar 2017 INR	31 Mar 2016 SEK	31 Mar 2016 INR
Assets					
Non-current assets					
<i>Intangible fixed assets</i>					
Goodwill	2	4,604,778	33,430,688	5,860,627	42,548,152
Computer program		148,159	1,075,634	–	–
Total intangible assets		4,752,937	34,506,323	5,860,627	42,548,152
<i>Property, plant and equipment</i>					
Leasehold improvement cost	3	2,333,333	16,939,998	2,458,333	17,847,498
Equipment, tools, fixtures and fittings	4	15,057,039	109,314,103	16,470,825	119,578,190
Work in progress	5	24,732,793	179,560,077	–	–
Total property, plant and equipment		42,123,165	305,814,178	18,929,158	137,425,687
Total non-current assets		46,876,102	340,320,501	24,789,785	179,973,839
Current assets					
<i>Inventories etc.</i>					
Raw materials and consumables		805,935	5,851,088	883,182	6,411,901
Finished goods and goods for resale		288,719	2,096,100	228,372	1,657,981
Total inventories		1,094,654	7,947,188	1,111,554	8,069,882
<i>Current receivables</i>					
Trade receivables		5,340,129	38,769,337	4,325,037	31,399,769
Receivables from Group companies		12,400	90,024	239,406	1,738,088
Other receivables		475,624	3,453,030	414,265	3,007,564
Prepaid expenses and accrued income		3,447,269	25,027,173	3,619,047	26,274,281
Total current receivables		9,275,422	67,339,564	8,597,755	62,419,701
<i>Cash and bank balances</i>					
Cash and bank balances		456,101	3,311,293	14,376,653	104,374,501
Total cash and bank balances		456,101	3,311,293	14,376,653	104,374,501
Total current assets		10,826,177	78,598,045	24,085,962	174,864,084
Total assets		57,702,279	418,918,546	48,875,747	354,837,923

BALANCE SHEET

	Note	31 Mar 2017 SEK	31 Mar 2017 INR	31 Mar 2016 SEK	31 Mar 2016 INR
Equity and liabilities					
Equity					
<i>Restricted equity</i>					
Share capital, 1000,000 shares.....		1,000,000	7,260,000	1,000,000	7,260,000
Total restricted equity		1,000,000	7,260,000	1,000,000	7,260,000
<i>Non-restricted equity</i>					
Share premium reserve.....		12,000,000	87,120,000	12,000,000	87,120,000
Profit/loss brought forward.....		1,753,318	12,729,089	–	–
Profit/Loss for the year.....		(8,559,026)	(62,138,529)	1,753,318	12,729,089
Total non-restricted equity		5,194,292	37,710,560	13,753,318	99,849,089
Total equity		6,194,292	44,970,560	14,753,318	107,109,089
Untaxed reserves					
Tax allocation reserve.....		–	–	3,155,564	22,909,395
Total untaxed reserves		0	0	3,155,564	22,909,395
Non-current liabilities					
	6				
Check account.....		2,384,374	17,310,555		
Other liabilities to credit institutions.....		12,188,000	88,484,880	9,000,000	65,340,000
Total non-current liabilities		14,572,374	105,795,435	9,000,000	65,340,000
Current liabilities					
Other liabilities to credit institutions.....		4,008,000	29,098,080	2,400,000	17,424,000
Trade creditors.....		16,310,398	118,413,489	8,017,610	58,207,849
Liabilities to Group companies.....		1,985,954	14,418,026	1,232,928	8,951,057
Tax liabilities.....		155,296	1,127,449	407,470	2,958,232
Other liabilities.....		4,138,738	30,047,238	1,537,944	11,165,473
Accrued expenses and deferred income.....		10,337,227	75,048,268	8,370,913	60,772,828
Total current liabilities		36,935,613	268,152,550	21,966,865	159,479,440
Total equity and liabilities		57,702,279	418,918,546	48,875,747	354,837,923

SUPPLEMENTARY DISCLOSURES

Note 1: Accounting and Valuation Principles

The annual accounts have been prepared in accordance with the Annual Accounts Act and BFAR 2016:10 Annual reports in small limited companies.

Service assignments and contract work

The Company's income from assignments undertaken on a fixed price basis is recognised according to the alternative rule.

Amortisation

Applied depreciable lives:

Goodwill	5 years
Equipment, tools, fixtures and fittings	5 years
Buildings	5-10 years
Leasehold improvement costs	20 years

Definitions of key performance indicators

Equity/assets ratio

Equity and untaxed reserves (less deferred tax) as a percentage of total assets.

Disclosures to the Balance Sheet

Note 2 Goodwill

	SEK	INR	SEK	INR
Opening cost of acquisition	6,279,243	45,587,304	6,279,243	45,587,304
Closing cost of acquisition	6,279,243	45,587,304	6,279,243	45,587,304
Opening depreciation	(418,616)	(3,039,152)	0	
– Depreciation for the year	(1,255,849)	(9,117,464)	(418,616)	(3,039,152)
Closing depreciation	(1,674,465)	(12,156,616)	(418,616)	(3,039,152)
Carrying amount	4,604,778	33,430,688	5,860,627	42,548,152

Note 3 Leasehold improvement costs

	SEK	INR	SEK	INR
Opening cost of acquisition	2,500,000	18,150,000	2,500,000	18,150,000
Closing cost of acquisition	2,500,000	18,150,000	2,500,000	18,150,000
Opening depreciation	(41,667)	(302,502)		
– Depreciation for the year	(125,000)	(907,500)	(41,667)	(302,502)
Closing depreciation	(166,667)	(1,210,002)	(41,667)	(302,502)
Carrying amount	2,333,333	16,939,998	2,458,333	17,847,498

Note 4 Equipment, tools, fixtures and fittings

	SEK	INR	SEK	INR
Opening cost of acquisition	17,170,413	124,657,198	17,170,413	124,657,198
Purchase	1,117,642	8,114,081		
Sales/Rebookings	(214,735)	(1,558,976)		
Closing cost of acquisition	18,073,320	131,212,303	17,170,413	124,657,198
Opening depreciation	(699,588)	(5,079,009)		
Returned depreciations on sales/rebookings	214,735	1,558,976		
– Depreciation for the year	(2,531,428)	(18,378,167)	(699,588)	(5,079,009)
Closing depreciation	(3,016,281)	(21,898,200)	0	0
Carrying amount	15,057,039	109,314,103	17,170,413	124,657,198

Note 5 Work in progress

	2017-03-31	2017-03-31	2016-03-31	2016-03-31
Purchase	24,732,793	179,560,077	0	0
Closing cost of acquisition.....	24,732,793	179,560,077	0	0
– Depreciation for the year.....	0	0		
Closing depreciation.....	0	0	0	0
Carrying amount	24,732,793	179,560,077	0	0

Note 6 Non-current liabilities

	2017-03-31	2016-03-31
	SEK	INR
Non-current liabilities maturing more than five years after the balance sheet date:		
Other liabilities to credit institutions	0	0
Total	0	0

Note 7 Pledged assets and contingent liabilities

	SEK	INR	SEK	INR
	01 April 2016	01 April 2016	29 Oct 2015	29 Oct 2015
	– 31 Mar 2017	– 31 Mar 2017	– 31 Mar 2016	– 31 Mar 2016
<i>Pledges and comparable collateral posted for own liabilities and provisions</i>				
Floating charges	15,000,000	108,900,000	15,000,000	108,900,000
Total pledged assets.....	15,000,000	108,900,000	15,000,000	108,900,000

Note 8: Parent Company

The parent company in the smallest group in which the company is included, and which prepares consolidated accounts is Holiday Club Resorts OY, Corporate Identity Number 2033337-1, which has its registered office in Helsinki, Finland. The parent company in the largest group in which the company is included and which prepares consolidated accounts is Mahindra & Mahindra Ltd, L65990MH1945PLC004558 with its registered office in India.

Annual reports for parent company could be found at Patent- och registerstyrelsen, PRH, for Finland and Ministry of Corporate Affairs (Company Master Data) for India.

The income statement and balance sheet will be presented for adoption at the Annual General Meeting of Shareholders held on 2017-04-30.

Åre 2017-04-30

Mats Svensson
Board Member

Marko Hiltunen
Board Member

Iiro Rossi
Board Member

Our auditor's report has been submitted on 2017-05-03.
Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial Period commencing from April 1, 2016 and ended on March 31, 2017.

Operations/State of the Company's Affairs

The Company is primarily engaged in Timeshare and renting business.

The Company's Resort property located at Åre.

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

Financial Highlights

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

During the period under review, the Company has earned a revenue of SEK 0 (INR 0) and made profit of SEK 0 (INR 0).

No dividend was proposed for the financial year ended March 31, 2017.

Directors

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

- 1) Tapio Anttila
- 2) Anne Oravainen
- 3) Riku Rauhala

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

Events Subsequent to Balance Sheet Date

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

of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is subsidiary of Holiday Club Sweden AB and in turn subsidiary of Holiday Club Resorts Oy (HCR) and in turn subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

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

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2017.

Acknowledgements

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

Signed on behalf of the Board of Directors
of Åre Villa 1 Ab

Tapio Anttila
Director

Anne Oravainen
Director

Riku Rauhala
Director

Place : Åre
Dated : April 24, 2017

AUDITOR'S REPORT

To the general meeting of the shareholders of Åre Villa 1 AB, corporate identity number 556996-2177

Report on the annual accounts

Opinions

We have audited the annual accounts of Åre Villa 1 AB for the year 2016-04-01-2017-03-31.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Åre Villa 1 AB as of 31 March 2017 and its financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Åre Villa 1 AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors is responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is not applied if decision has been taken to discontinue the operations.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally

accepted auditing standards in Sweden 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 annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, 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 opinions. 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 the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any 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 annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. 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 annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors of Åre Villa 1 AB for the year 2016-04-01-2017-03-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Åre Villa 1 AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or

- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Sundsvall, April 2017

Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

ADMINISTRATION REPORT

Operations

Information regarding the operations

The Company began operations in 2015. The Company conducts the sale of shares in tenant-owner apartments. The company has its registered office in Åre.

In this annual report FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 7.26 = FC 1 which is the Bloomberg rate as on 31st March 2017.

Multi-year review

	2016/17	2016/17	2014/16	2014/16
	kSEK	kINR	kSEK	kINR
Net sales	0	0	12,426	90,213
Profit/loss after financial items	0	0	1,159	8,418
Equity/assets ratio	22.6 %	22.6 %	99.2 %	99.2 %

Proposed appropriation of profits

	SEK	INR
The following profits are at the disposal of the Annual General Meeting:		
Profit/Loss for the year	0	0
Total	<u>0</u>	<u>0</u>

Changes in equity

	Share capital	Profit/ loss brought forward	Net profit/loss	Total
Amount at beginning of year according to adopted balance sheet	50000 SEK 363000 INR	577000 SEK 4189020 INR	1159475 SEK 8417789 INR	1786475 SEK 12969808 INR
Appropriation of profits as resolved by the AGM				
Dividends		(1736475 SEK) (12606808 INR)		(1736475 SEK) (12606808 INR)
To be carried forward		1159475 SEK 8417789 INR	(1159475 SEK) (8417789 INR)	
Received unconditional shareholders' contributions				
Net profit/loss for the year			0	0
Balance at year-end	50000 SEK 363000 INR	0	0	50000 SEK 363000 INR

INCOME STATEMENT

	Note	1 April 2016 – 31 Mar 2017	1 April 2016 – 31 Mar 2017	1 Oct 2014 – 31 Mar 2016	1 Oct 2014 – 31 Mar 2016
		SEK	INR	SEK	INR
Operating income, changes in inventory, etc.	2				
Net sales		0	0	12,426,000	90,212,760
Total operating income, changes in inventory, etc.		0	0	12,426,000	90,212,760
Operating expenses					
Raw materials and consumables.....		0	0	(11,250,000)	(81,675,000)
Other external expenses		0	0	(16,525)	(119,972)
Total operating expenses.....		0	0	(11,266,525)	(81,794,972)
Operating profit/loss.....		0	0	1,159,475	8,417,789
Profit/Loss after financial items		0	0	1,159,475	8,417,789
Profit/Loss before tax		0	0	1,159,475	8,417,789
Profit/Loss for the year.....		0	0	1,159,475	8,417,789

BALANCE SHEET

	Note	31 Mar 2017 SEK	31 Mar 2017 INR	31 Mar 2016 SEK	31 Mar 2016 INR
Assets					
Current assets					
<i>Current receivables</i>					
Receivables from Group companies		0	0	1,580,800	11,476,608
<i>Total current receivables</i>		0	0	1,580,800	11,476,608
<i>Cash and bank balances</i>					
Cash and bank balances		220,675	1,602,101	220,675	1,602,101
<i>Total cash and bank balances</i>		220,675	1,602,101	220,675	1,602,101
Total current assets		220,675	1,602,101	1,801,475	13,078,709
Total assets		220,675	1,602,101	1,801,475	13,078,709
Equity and liabilities					
Equity					
<i>Restricted equity</i>					
Share capital, 50,000 shares		50,000	363,000	50,000	363,000
<i>Total restricted equity</i>		50,000	363,000	50,000	363,000
<i>Non-restricted equity</i>					
Retained earnings		0	0	577,000	4,189,020
Profit/Loss for the year		0	0	1,159,475	8,417,789
<i>Total non-restricted equity</i>		0	0	1,736,475	12,606,809
Total equity		50,000	363,000	1,786,475	12,969,809
Current liabilities					
Liabilities to Group companies		155,675	1,130,201		
Accrued expenses and deferred income		15,000	108,900	15,000	108,900
Total current liabilities		170,675	1,239,101	15,000	108,900
Total equity and liabilities		220,675	1,602,101	1,801,475	13,078,709

SUPPLEMENTARY DISCLOSURES

Note 1 Accounting and Valuation Principles

The annual accounts have been prepared in accordance with the Annual Accounts Act and BFNAR 2016:10 Annual reports in small limited companies.

Definitions of key performance indicators

Equity/assets ratio

Equity and untaxed reserves (less deferred tax) as a percentage of total assets.

Disclosures to the Income Statement

Note 2 Sales to Group companies

	1 April 2016 –31 Mar 2017	1 Oct 2014 – 31 Mar 2016
Percentage of sales to companies in Groups of which the Company is a subsidiary	0%	100%

Note 3 Parent Company

The parent company in the smallest group in which the company is included, and which prepares consolidated accounts is Holiday Club Resorts OY, Corporate Identity Number 2033337-1, which has its registered office in Helsinki, Finland.

The parent company in the largest group in which the company is included and which prepares consolidated accounts is Mahindra & Mahindra Ltd, L65990MH1945PLC004558 with its registered office in India.

Annual reports for parent company could be found at Patent- och registerstyrelsen, PRH, for Finland and Ministry of Corporate Affairs (Company Master Data) for India.

The income statement and balance sheet will be presented for adoption at the Annual General Meeting of Shareholders held on 2017-04-24

Åre 2017-04-24

Tapio Anttila

Anne Oravainen

Riku Rauhala

Our auditor's report has been submitted 2017-05-03
Öhrlings PricewaterhouseCoopers AB

Magnus Olsson

Authorized Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial Period commencing from April 1, 2016 and ended on March 31, 2017.

Operations/State of the Company's Affairs

The Company is primarily engaged in Timeshare and renting business.

The Company's Resort property located at Åre.

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

Financial Highlights

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

During the period under review, the Company has earned a revenue of SEK 0 (INR 0) and made profit of SEK 0 (INR 0).

No dividend was proposed for the financial year ended March 31, 2017.

Directors

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

- 1) Tapio Anttila
- 2) Anne Oravainen
- 3) Riku Rauhala

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017.

Events Subsequent to Balance Sheet Date

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

of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is subsidiary of Holiday Club Sweden AB and in turn subsidiary of Holiday Club Resorts Oy (HCR) and in turn subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

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

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2017.

Acknowledgements

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

Signed on behalf of the Board of Directors
of Åre Villas 2 AB

Tapio Anttila
Director

Anne Oravainen
Director

Riku Rauhala
Director

Place: Åre
Dated: April 24, 2017

AUDITOR'S REPORT

To the general meeting of the shareholders of Åre Villa 2 AB, corporate identity number 556996-2250

Report on the annual accounts

Opinions

We have audited the annual accounts of Åre Villa 2AB for the year 2016-04-01-2017-03-31.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Åre Villa 2 AB as of 31 March 2017 and its financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Åre Villa 2 AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors is responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is not applied if decision has been taken to discontinue the operations.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally

accepted auditing standards in Sweden 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 annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, 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 opinions. 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 the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any 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 annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. 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 annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors of Åre Villa 2 AB for the year 2016-04-01-2017-03-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Åre Villa 2 AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to

obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Sundsvall april 2017
Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

ADMINISTRATION REPORT

Operations

Information regarding the operations

The Company began operations in 2015. The Company conducts the sale of shares in tenant-owner apartments. The company has its registered office in Åre.

In this annual report FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 7.26 = FC 1 with is the Bloomberg rate as on 31st March 2017.

Multi-year review

	2016/17	2016/17	2014/16	2014/16
	kSEK	kINR	kSEK	kINR
Net sales	0	0	12,426	90,213
Profit/loss after financial items	0	0	1,159	8,418
Equity/assets ratio	76.9 %	76.9 %	99.0%	99.0%

Proposed appropriation of profits

	SEK	INR
The following profits are at the disposal of the Annual General Meeting:		
Profit/Loss for the year	0	0
Total	<u>0</u>	<u>0</u>

Changes in equity

	Share capital	Profit/loss brought forward	Net profit/loss	Total
Amount at beginning of year according to adopted balance sheet	50000 SEK 363000 INR	273000 SEK 1981980 INR	1159475 SEK 8417788.5 INR	1482475 SEK 10762768 INR
Appropriation of profits as resolved by the AGM				
Dividends		(1432475 SEK) (10399768 INR)		(1432475 SEK) (10399768 INR)
To be carried forward		1159475 SEK 8417788.5 INR	(1159475 SEK) (8417788.5 INR)	
Received unconditional shareholders' contributions				
Net profit/loss for the year			0	0
Balance at year-end	50000 SEK 363000 INR	0	0	50000 SEK 363000 INR

INCOME STATEMENT

	Note	1 April 2016 – 31 Mar 2017	1 April 2016 – 31 Mar 2017	16 Dec 2014 – 31 Mar 2016	16 Dec 2014 – 31 Mar 2016
		SEK	INR	SEK	INR
Operating income, changes in inventory, etc.	2				
Net sales		0	0	12,426,000	90,212,760
Total operating income, changes in inventory, etc.		0	0	12,426,000	90,212,760
Operating expenses					
Raw materials and consumables.....		0	0	(11,250,000)	(81,675,000)
Other external expenses		0	0	(16,525)	(119,972)
Total operating expenses.....		0	0	(11,266,525)	(81,794,972)
Operating profit/loss.....		0	0	1,159,475	8,417,789
Profit/Loss after financial items		0	0	1,159,475	8,417,789
Profit/Loss before tax		0	0	1,159,475	8,417,789
Profit/Loss for the year.....		0	0	1,159,475	8,417,789

BALANCE SHEET

	Note	31 Mar 2017 SEK	31 Mar 2017 INR	31 Mar 2016 SEK	31 Mar 2016 INR
Assets					
Current assets					
<i>Current receivables</i>					
Receivables from Group companies		16,525	119,972	1,449,000	10,519,740
<i>Total current receivables</i>		16,525	119,972	1,449,000	10,519,740
<i>Cash and bank balances</i>					
Cash and bank balances		48,475	351,929	48,475	351,929
<i>Total cash and bank balances</i>		48,475	351,929	48,475	351,929
Total current assets		65,000	471,900	1,497,475	10,871,669
Total assets		65,000	471,900	1,497,475	10,871,669
Equity and liabilities					
Equity					
<i>Restricted equity</i>					
Share capital, 50,000 shares		50,000	363,000	50,000	363,000
<i>Total restricted equity</i>		50,000	363,000	50,000	363,000
<i>Non-restricted equity</i>					
Retained earnings		0	0	273,000	1,981,980
Profit/Loss for the year		0	0	1,159,475	8,417,789
<i>Total non-restricted equity</i>		0	0	1,432,475	10,399,769
Total equity		50,000	363,000	1,482,475	10,762,769
Current liabilities					
Accrued expenses and deferred income		15,000	108,900	15,000	108,900
Total current liabilities		15,000	108,900	15,000	108,900
Total equity and liabilities		65,000	471,900	1,497,475	10,871,669

SUPPLEMENTARY DISCLOSURES

Note 1 Accounting and Valuation Principles

The annual accounts have been prepared in accordance with the Annual Accounts Act and BFNAR 2016:10 Annual reports in small limited companies.

Definitions of key performance indicators

Equity/assets ratio

Equity and untaxed reserves (less deferred tax) as a percentage of total assets.

Disclosures to the Income Statement

Note 2 Sales to Group companies

	1 April 2016 – 31 Mar 2017	16 Dec 2014 – 31 Mar 2016
Percentage of sales to companies in Groups of which the Company is a subsidiary	0%	100%

Note 3 Parent Company

The parent company in the smallest group in which the company is included, and which prepares consolidated accounts is Holiday Club Resorts OY, Corporate Identity Number 2033337-1, which has its registered office in Helsinki, Finland. The parent company in the largest group in which the company is included and which prepares consolidated accounts is Mahindra & Mahindra Ltd, L65990MH1945PLC004558 with its registered office in India.

Annual reports for parent company could be found at Patent- och registerstyrelsen, PRH, for Finland and Ministry of Corporate Affairs (Company Master Data) for India.

The income statement and balance sheet will be presented for adoption at the Annual General Meeting of Shareholders held on 2017-05-03

Åre 2017-05-03

Tapio Anttila

Anne Oravainen

Riku Rauhala

Our auditor's report has been submitted 2017-05-03
Öhrlings PricewaterhouseCoopers AB

Magnus Olsson

Authorized Public Accountant