ClubMahindra

August 16, 2018

MHRIL/SE/18-19/485

National Stock Exchange of India Limited
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051.
Scrip Code: MHRIL

Department of Corporate Services
Bombay Stock Exchange Limited
Floor 25, PJ Towers,
Dalal Street,
Mumbai – 400 001.
Scrip Code: 533088

Dear Sir,

Sub: Submission of Annual Report FY 2017-18 of the Company – Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

In continuation of our communication dated August 3, 2018, intimating the approval of the resolutions at the 22nd Annual General Meeting and in compliance with the Regulation 34(1) of the SEBI Listing Regulations, please find enclosed Annual Report of the Company for the financial year 2017-18 duly approved and adopted by the Shareholders as per the provisions of the Companies Act, 2013.

The Annual Report for the financial year 2017-18 is available on the website of the Company www.clubmahindra.com

This is for your information.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,

For **Mahindra Holidays & Resorts India Limited**

Akhila B

Mahindra Holidays & Resorts India Limited Mumbai

Akhila Balachandar
Chief Financial Officer

Encl: a/a

ClubMahindra

India's Favourite Resort Chain* is taking you places with

resorts and countless magical moments.

MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED

22nd Annual Report 2017-18

Club Mahindra rated India's Favourite Resort Chain* by HolidayIQ's Better Holiday Awards 2017.

Corporate Information

Board of Directors

Arun Nanda, Chairman
Cyrus Guzder
Vineet Nayyar
Rohit Khattar
Sridar Iyengar
Sanjeev Aga
V S Parthasarathy
Radhika Shastry
Kavinder Singh, Managing Director & CEO

Chief Financial Officer

Akhila Balachandar

Registered Office

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

Corporate Office

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

Statutory Auditors

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

Secretarial Auditor

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

Bankers

YES Bank Limited
HDFC Bank Limited

Committees of Board of Directors

Audit Committee

Sridar Iyengar
Cyrus Guzder
Rohit Khattar
Sanjeev Aga
V S Parthasarathy

Nomination and Remuneration Committee

Arun Nanda
Vineet Nayyar
Cyrus Guzder
Rohit Khattar
Sridar Iyengar

Risk Management Committee

Arun Nanda
Cyrus Guzder
V S Parthasarathy
Kavinder Singh

Securities Allotment Committee

Arun Nanda
V S Parthasarathy
Kavinder Singh

Corporate Social Responsibility Committee

Arun Nanda
Cyrus Guzder
V S Parthasarathy
Kavinder Singh

Stakeholders Relationship Committee

Arun Nanda
V S Parthasarathy
Kavinder Singh

Inventory Approval Committee

Arun Nanda
Cyrus Guzder
Kavinder Singh

Strategy Review Committee

Arun Nanda
Cyrus Guzder
Rohit Khattar
Sanjeev Aga
Kavinder Singh

Registrar and Transfer Agent

Karvy Computershare Private Limited
Karvy Selenium, Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500 032
T: +91 40 6716 2222; F: +91 40 2300 1153;
Toll free: 18003454001
E: einward.ris@karvy.com

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

Contents

FINANCIAL HIGHLIGHTS FOR THE LAST 5 YEARS - STANDALONE

(₹ in lakh)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Revenue from operations	**106,419**	107,318	95,153	79,485	77,752
Total Income	**109,419**	109,039	96,394	80,756	79,893
Earnings Before Depreciation, Finance Cost and Tax Expenses (EBDIT)	**26,200**	26,150	23,950	19,250	18,042
Depreciation and Amortisation	**5,480**	6,053	7,133	6,541	3,803
Exceptional Items	**-**	-	-	2,188	-
Profit For the Year	**13,436**	13,065	11,359	7,902	9,453
Equity Dividend %	**40***	50	50	40	40
Equity Share Capital	**13,276**	8,823	8,806	8,803	8,802
Reserves and Surplus	**63,169**	58,619	50,253	64,287	70,173
Net Worth	**76,445**	67,442	59,059	73,090	78,976
Net Fixed Assets	**96,774**	95,635	95,390	86,753	75,777
Total Assets	**328,777**	298,642	268,321	249,493	261,115
Market Capitalisation (as on March 31)	**391,324**	384,599	343,182	228,877	207,614

* Subject to the approval of the shareholders at the AGM.

Note:

FY 14-15 & 13-14 figures are as per pervious IGAAP

FY 17-18, 16-17 & 15-16 figures considered post IND AS adjustments.

KEY INDICATORS

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Diluted Earnings Per Share - (₹)	**10.10**	9.85#	12.87	8.98	10.75
Book Value Per Share - (₹)	**57.58**	76.44	67.07	83.03	89.72
EBDIT / Total Income %	**23.94%**	23.98%	24.85%	23.84%	22.58%
Net Profit Margin %	**12.28%**	11.98%	11.78%	9.79%	11.83%

The Company has issued and allotted 55,000 equity shares of ₹ 10/- each on May 19, 2017, pursuant to exercise of stock options in accordance with the Company's Stock Option Scheme (ESOS 2014). Further on July 12, 2017, the Company issued and allotted 44,417,928 bonus equity shares of ₹ 10/- each, in the proportion of 1 (one) bonus share for every 2 (two) fully paid up equity shares to all the registered shareholders as on the Record Date (i.e. July 11, 2017) by capitalization of Securities premium account and consequently, the equity share paid up capital of the Company increased from ₹ 888,358,560/- to ₹ 1,332,537,840/-. Further the Company has issued and allotted 25,000 equity shares, 50,000 equity shares & 1,15,000 equity shares of ₹ 10/- each on February 14, 2018, February 27, 2018 and March 21, 2018 respectively, pursuant to exercise of stock options in accordance with the Company's Stock Option Scheme (ESOS 2014). The earnings per share (EPS) data for FY 17-18 and FY 16-17 disclosed above have been calculated after taking into account the issue of Bonus shares as per Ind AS - 33 on Earnings Per Share.

Directors' Report

Dear Shareholders,

Your Directors are pleased to present their Twenty Second Report together with the Audited Financial Statements of your Company for the year ended March 31, 2018.

1. Operations and Financial Overview

During the Financial Year 2017-18, your Company has registered a steady performance in spite of a continued subdued consumer sentiment, especially towards high-value discretionary spend categories. Your Company added 18,225 new members to its vacation ownership business, taking the total membership to over 2.35 lakh at the end of the year. The growth in the member addition is a result of concerted efforts in tapping high quality leads, better lead management and conversion. The Company also continued to do advertising and brand building campaigns during the year under review. Your Company added 320 new room units during the year under review, taking the total inventory to 3,472 units as of March 31, 2018.

During the year under review, your Company has increased its stake in Holiday Club Resorts Oy, Finland (HCR) from 91.94% to 95.16% on account of acquisition of additional shares in line with the agreements executed with the shareholders of HCR.

Your Company's total income (including other income) remained stable at ₹ 1,09,419 lakh in 2017-18 compared to ₹ 1,09,039 lakh in 2016-17. Profit After Tax (PAT) grew to ₹ 13,436 lakh in 2017-18 from ₹ 13,065 lakh in 2016-17. Diluted earnings per share (EPS) for 2017-18 stood at ₹ 10.10 up from ₹ 9.85 in 2016-17.

Your Company's consolidated total income (including other income) grew to ₹ 2,35,058 lakh in 2017-18 from ₹ 2,29,444 lakh in 2016-17. The consolidated PAT stood at ₹ 13,237 lakh in 2017-18 and the Diluted EPS for 2017-18 stood at ₹ 9.95.

There are no audit qualifications in the Standalone or Consolidated Financial Statements by the Statutory Auditors for the year under review.

2. Financial Highlights — Standalone

(₹ in lakh)

	2018	2017
Income:		
Income from sale of Vacation Ownership and other services	**1,06,419**	1,07,318
Other Income	**3,000**	1,721
Total Income	**1,09,419**	1,09,039
Expenditure:		
Less: Employee Cost & other expenses	**83,219**	82,889
Profit before Depreciation, Interest and Taxation	**26,200**	26,150
Less: Depreciation	**5,480**	6,053
Interest	**5**	2
Profit for the year before Tax	**20,715**	20,095
Less: Provision for Tax – Current Tax	**6,559**	7,535
– Deferred tax (net)	**720**	(505)
Net Profit for the year after tax	**13,436**	13,065
Other Comprehensive Income (Net of Tax)	**(72)**	(3)
Total Comprehensive Income	**13,364**	13,062

3. Share Capital

Authorised Share Capital

During the year under review, the Authorised Share capital of the Company was increased from ₹ 100,00,00,000 (Rupees One Hundred Crore only) divided into 10,00,00,000 (Ten Crore) Equity Shares of ₹ 10 each (Rupees Ten only) to ₹ 150,00,00,000 (Rupees One Hundred and Fifty Crore only) divided into 15,00,00,000 (Fifteen Crore) Equity Shares of ₹ 10 each (Rupees Ten Only).

Paid up Share Capital

During the year under review and as mentioned in the previous year's Directors' Report, the Board of Directors of the Company had recommended, subject to the approval of the shareholders, issue of Bonus Shares in proportion of 1:2 i.e. 1 (one) bonus equity share of ₹ 10 each for every 2 (Two) fully paid-up equity shares of ₹ 10 each held, and consequently the same was approved by the Shareholders vide resolution passed through Postal Ballot on June 30, 2017. Accordingly, the Securities Allotment Committee of the Board of Directors of the Company on July 12, 2017, allotted 4,44,17,928 Bonus Equity Shares to the Shareholders of the Company holding shares as on July 11, 2017 (Record Date).

During the year under review, the Company has also allotted 2,45,000 equity shares of ₹ 10 each to the eligible employees/ directors pursuant to exercise of stock options granted under the Company's Employee Stock Option Scheme - 2014.

Consequent to the aforesaid allotments, the Issued, Subscribed and Paid up Share Capital of the Company as on March 31, 2018 was ₹ 133,44,37,840 (Rupees One Hundred Thirty Three Crore Forty Four Lakh Thirty Seven Thousand Eight Hundred and Forty only) divided into 13,34,43,784 (Thirteen Crore Thirty Four Lakh Forty Three Thousand Seven Hundred and Eighty Four) equity shares of ₹ 10 each (Rupees Ten only).

During the year under review, your Company did not issue shares with differential voting rights / sweat equity. Details of Directors' shareholding as on March 31, 2018, are mentioned in the Corporate Governance Report, which forms a part of this Annual Report.

4. Dividend

In compliance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Dividend Distribution Policy of the Company is annexed herewith as Annexure I and is also available at the Company's website at: http://www.clubmahindra.com/sites/default/files/uploaded%20documents/Dividend-Distribution-Policy.pdf.

In line with the financial performance for the year ended March 31, 2018 and Company's Dividend Distribution Policy, your Directors are pleased to recommend a dividend of ₹ 4 (i.e. 40%) per equity share of face value of ₹ 10 each for the financial year ended March 31, 2018. The dividend, if approved at the ensuing Annual General Meeting, will be paid to the shareholders whose names appear in the Register of Members of the Company as on the Book Closure Date. The equity dividend outgo for 2017-18, inclusive of tax on distributed profits would absorb a sum of ₹ 6,435 lakh (as compared to ₹ 5,346 lakh in the previous financial year).

5. Transfer to Reserve

The Board of Directors proposes to transfer ₹ 1,500 lakh to the General Reserve from the current year's distributable profits of the Company.

6. Related Party Transactions

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

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

The RPT Policy as approved by the Audit Committee and the Board is available on the website of the Company at: http://www.clubmahindra.com/sites/default/files/Policy_on_RPT.pdf.

Your Directors draw attention of the members to Note No. 46 to the Standalone Financial Statements which sets out related party disclosure.

7. Particulars of Loans and Advances, Guarantees or Investments

As your Company is engaged in the activity covered under Schedule VI of the Companies Act, 2013 ("Act"), the provisions of Section 186 of the Act related to loans made, guarantees given or securities provided are not applicable to the Company. However, the details of such loans made, and guarantees given to / on behalf of subsidiary companies / JV company are provided in the Note Nos. 8, 9 and 17 to the Standalone Financial Statements. These loans and guarantees for which loans are provided are proposed to be utilised by the respective recipients for their business purposes.

During the year under review, your Company has provided Corporate Guarantee of Euro 4.75 million on behalf of its subsidiary, MHR Holdings (Mauritius) Limited, Mauritius ("MHR Holdings"), as a collateral security towards the financial facilities (funded / non-funded) availed by MHR Holdings from a Bank.

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

Particulars of investments made by your Company are provided in the Standalone Financial Statements at Note Nos 6 and 13.

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

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

9. Corporate Social Responsibility

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

10. Sustainability

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

11. Business Responsibility Report

The Business Responsibility Report ("BRR") of your Company for the year 2017-18 forms part of this Annual Report, as required under Regulation 34(2)(f) of the SEBI Listing Regulations.

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

12. Corporate Governance Report

A Report on Corporate Governance along with a certificate from the Statutory Auditors of the Company regarding the compliance of conditions of corporate governance as stipulated under Schedule V of the SEBI Listing Regulations forms a part of this Annual Report.

13. Management Discussion and Analysis Report

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

14. Whistle Blower Policy & Vigil Mechanism

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

15. Employees' Stock Options

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

During the year under review, as per the terms of the Company's Employees' Stock Option Schemes (2006 and 2014) and consequent to the allotment of Bonus Shares, the appropriate adjustments were made to all the stock options (vested, unvested and unexercised) and the exercise prices of the respective grants under the Employees' Stock Option Schemes (2006 and 2014) of the Company. Further, the Company has also obtained the in-principle approval from the Stock Exchanges for listing of additional shares to be issued under 2014 Scheme based on the adjustment made pursuant to the allotment of Bonus Shares.

During the year under review, pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014 ("SEBI ESOP Regulations") a total of 60,000 new options were granted (Grant V) under 2014 Scheme by the Nomination and Remuneration Committee to the eligible employees and noted by the Board.

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

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

A certificate from the Statutory Auditors of the Company confirming that the 2006 Scheme and 2014 Scheme have been implemented in accordance with the SEBI ESOP Regulations, and the resolution passed by the Shareholders, will be placed at the ensuing Annual General Meeting for inspection by members.

16. Subsidiaries, Joint Venture and Associate Companies

During the year under review, your Company has increased its equity investment in Gables Promoters Private Limited (Gables), a wholly owned subsidiary, by investing ₹ 1,532 lakh in and subscribing to 1,53,21,400 Equity Shares of ₹ 10 each of Gables. Accordingly, the total investment in the equity share capital of Gables has been increased to ₹ 6,500 lakh.

Your Company through its subsidiary Covington S.à.r.l, Luxembourg, increased its equity stake in Holiday Club Resorts Oy, Finland from 91.94% to 95.16% in April 2017.

During the year under review, Holiday Club Sweden AB, step down subsidiary of the Company, acquired 100% stake in Åre Villa 3 AB (earlier known as Visionsbolaget 12191 AB), accordingly Åre Villa 3 AB has become a step-down subsidiary of the Company. Further, Åre Villa 3 AB has acquired 100% stake in Åre Villa 4 AB (earlier known as Visionsbolaget 12192 AB) and accordingly, Åre Villa 4 AB has also become a step-down subsidiary of the Company. Further, Åre Villa 3 AB has disinvested its entire stake in Åre Villa 4 AB and consequently Åre Villa 4 AB ceased to be step-down subsidiary of the Company.

Arabian Dreams Hotel Apartments LLC, Dubai (Arabian Dreams), Joint Venture company of the Company, is considered as subsidiary company from Financial Year 2016-17 in compliance with the provisions of Indian Accounting Standards (Ind AS). Accordingly, as of March 31, 2018, your Company has 36 subsidiaries (including 31 indirect subsidiaries), 1 Joint Venture company (indirect) and 3 associate companies (including 2 indirect associates).

17. Performance of Subsidiaries

Domestic Subsidiaries

Gables Promoters Private Limited (Gables) is a wholly owned subsidiary company of the Company. During the year under review, Gables has completed its greenfield project of construction of resort property of 115 rooms at Naldehra, Himachal Pradesh and the resort property has become fully operational.

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

Foreign Subsidiaries

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

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

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

MHR Holdings (Mauritius) Limited, Mauritius (MHR Holdings), is a wholly owned subsidiary company of the Company. The principal activity of MHR Holdings is to hold investments. Currently, it holds investments in Covington S.à.r.l, Luxembourg.

Covington S.à.r.l, Luxembourg (Covington) is a wholly owned subsidiary of MHR Holdings and in turn a subsidiary of your Company. The principal activity of Covington is to hold investments. Currently, it holds investments in Holiday Club Resorts Oy (HCR) and HCR Management Oy (HCRM), Finland. As on March 31, 2018, Covington holds 95.16% stake in HCR and 100% stake in HCRM.

HCR, subsidiary of Covington and in turn of the Company, is the largest operator of leisure hotels in Finland and the largest vacation ownership company in Europe. As of March 31, 2018, HCR has 33 resorts of which 25 are located in Finland, 2 in Sweden and 6 in Spain. Further, out of these, 7 resorts in Finland and 1 resort in Sweden have a spa hotel attached.

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

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

Associate Companies

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

Kiinteistö Oy Seniori-Saimaa and Kiinteistö Oy Sallan Kylpylä are associate companies of HCR and consequently associates of your Company.

Joint Venture Company

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

A report on the performance and financial position of each of the subsidiaries, associates and joint venture company as per the Act (in the prescribed format i.e. "Form AOC-1") is provided as Annexure to the Consolidated Financial Statements and hence not repeated here for the sake of brevity.

The policy for determining material subsidiaries as approved by the Board may be accessed on the Company's website at: http://www.clubmahindra.com/sites/default/files/Policy_For_Determining_Material_Subsidiaries.pdf.

In accordance with the third proviso to Section 136(1) of the Act, the Annual Report of the Company, containing therein its Standalone and the Consolidated Financial Statements are available on the Company's website www.clubmahindra.com. Further, as per fourth proviso to the said Section, the Audited Annual Accounts of each of the said subsidiary companies of the Company are also available on the Company's website at www.clubmahindra.com. Any Shareholder who may be interested in obtaining a copy of the aforesaid documents may write to the Chief Financial Officer at the Company's Registered/ Corporate Office. Further, the said documents will be available for examination by the Shareholders of the Company at its Registered Office during all working days except Saturday, Sunday, Public Holidays and National Holidays, between 10.00 AM to 12.00 Noon.

18. Directors

As on March 31, 2018, your Company had 9 Directors, which includes 5 Independent Directors (IDs), 3 Non-Executive Directors (NEDs) and 1 Executive Director (ED).

During the year under review, the Board of Directors at their meeting held on May 19, 2017 pursuant to the recommendation of the Nomination and Remuneration Committee approved the remuneration payable to Mr. Kavinder Singh (DIN 06994031) for the period of 2 (two) years i.e. from November 3, 2017 to November 2, 2019 (both days inclusive) and subsequently, the same was approved by the Shareholders at the Annual General Meeting of the Company held on August 2, 2017.

Mr. S Krishnan (DIN 00212875), who was appointed as an Executive Director of the Company with effect from January 22, 2015 for a period of three years by the Shareholders of the Company, had expressed his desire not to be re-appointed and hence, ceased to be an Executive Director of the Company upon completion of his tenure on January 21, 2018 and consequently, he also ceased to be a Director of the Company with effect from January 22, 2018. Mr. Krishnan joined the Company as Chief Financial Officer (CFO) with effect from April 1, 2014 and was further elevated as CFO & Executive Director of the Company with effect from January 22, 2015. Mr. Krishnan played an important role in strengthening the systems & processes and in the acquisition of Finland subsidiary, HCR. The Board placed on record its sincere appreciation for the contributions made by Mr. Krishnan during his association with the Company.

19. Retirement by Rotation

In terms of the Articles of Association of the Company and as per Section 152(6) of the Act, Mr. Vineet Nayyar (DIN 00018243), being longest in the office, is liable to retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. However, Mr. Vineet Nayyar has expressed his desire not to seek re-appointment. It is proposed not to fill up the vacancy thereby caused.

Mr. Vineet Nayyar was appointed as a Director on the Board of the Company with effect from January 23, 2007 and has made notable contributions towards the effective functioning of the Board of the Company. The Board placed on record its sincere appreciation for the contributions made by Mr. Vineet Nayyar during his association with the Company.

20. Declaration by Independent Directors

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Act that he / she meets the criteria of independence laid down in Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations.

21. Key Managerial Personnel (KMPs)

Mrs. Akhila Balachandar was appointed as the Chief Financial Officer (CFO) of the Company and was designated as a KMP w.e.f. May 20, 2017 and consequently, Mr. S Krishnan was re-designated from "CFO & Executive Director" to "Executive Director" of the Company with effect from the said date.

Further, as informed earlier, Mr. S Krishnan ceased to be an Executive Director and KMP of the Company upon completion of his tenure on January 21, 2018.

During the year under review, Mr. Dinesh Shetty ceased to be General Counsel & Company Secretary and KMP (including the Compliance Officer under the SEBI Listing Regulations) of the Company with effect from the closure of business hours of March 31, 2018. The Board placed on record its sincere appreciation for the contributions made by Mr. Dinesh Shetty during his association with the Company.

As on March 31, 2018, Mr. Kavinder Singh, Managing Director & CEO and Mrs. Akhila Balachandar, CFO, are the KMPs as per the provisions of the Act.

22. Board Evaluation

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

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

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

23. Number of Board Meetings

During the year under review, the Board of Directors met 6 (six) times. The details of the Board Meetings and attendance of Directors are provided in the Report on Corporate Governance, which forms a part of this Annual Report.

24. Composition of Audit Committee

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

25. Directors' Responsibility Statement

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

a) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable Accounting Standards had been followed and there is no material departure;

b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018, and of the profit of the Company for the year ended on that date;

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

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

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

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

26. Internal Financial Controls and Their Adequacy

Your Company has an adequate internal control system, commensurate with the size and nature of its business. The system is supported by documented policies, guidelines and procedures to monitor business and operational performance which are aimed at ensuring business integrity and promoting operational efficiency. Further details are provided in the Management Discussion and Analysis Report, which forms a part of this Annual Report. During the year under review, the Statutory Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Act, details of which needs to be mentioned in this Report.

27. Consolidated Financial Statements

The Consolidated Financial Statements of the Company and its subsidiaries prepared in accordance with the Act and applicable Accounting Standards forms part of this Annual Report.

The Consolidated Financial Statements presented by the Company includes the Financial Results of its subsidiary companies, associates and joint venture company.

28. Risk Management

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

29. Disclosure requirements:

- The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.
- Effective July 1, 2017 with initiation of the Goods and Service Tax (GST) regime, India introduced the landmark tax reform. Your Company made a timely and seamless transition to the new GST system.

30. Auditors

A) Statutory Auditors

The Shareholders at their 21st Annual General Meeting ("AGM") held on August 2, 2017, approved the appointment of M/s B S R & Co. LLP, Mumbai (ICAI membership No:101248W/W-100022) as the Statutory Auditors of the Company for a period of 5 (five) years commencing from the conclusion of the 21st AGM till the conclusion of 26th AGM, subject to ratification of their appointment by the Members at every AGM of the Company.

As required under the provisions of Section 139 of the Act, your Company has obtained a written consent from the above Auditors, whose appointment is proposed to be ratified, to the effect that they are eligible to continue as Statutory Auditor of the Company.

The Shareholders are requested to ratify the appointment of Auditors at the forthcoming AGM and fix their remuneration. Accordingly, the appointment of M/s B S R & Co. LLP is being placed before the Shareholders for ratification.

Pursuant to Notification issued by the Ministry of Corporate Affairs on May 7, 2018 amending Section 139 of the Act, the mandatory requirement for ratification of appointment of Auditors by the Shareholders at every AGM has been omitted. Accordingly, the yearly ratification of appointment of the Auditors would not be done at every intervening AGM held after the ensuing AGM i.e. 22nd AGM as the requirement had been done away in the Act.

The Auditors' Report on the financial statements of the Company for the year ending March 31, 2018 is unmodified i.e. it does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements forming part of the annual report.

B) Secretarial Auditor

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

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

31. Deposits

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

32. Credit Rating

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

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

There are no material changes and commitments, affecting financial position of the Company which have occurred between the end of the financial year of the Company i.e. March 31, 2018, and the date of the Directors' Report.

34. Extract of Annual Return

An extract of the Annual Return as of March 31, 2018, pursuant to sub section (3) of Section 92 of the Act, in form MGT 9 is annexed herewith as Annexure VII.

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

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

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

36. Human Resources

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

The Company has a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the aspects as contained under The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013. There was one complaint pending at the beginning of the year. During the year under review, the Company received four complaints under the Policy. While four complaints were disposed and appropriate actions were taken in all cases within the statutory timelines, one compliant was pending at the end of the year, which was also investigated and resolved prior to the date of this Report. Further, there were no complaints pending for more than 90 days during the year.

37. Particulars of Employees

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

The Company had 6 (six) employees who were employed throughout the year and were in receipt of remuneration more than ₹ 102 lakh per annum and 1 (one) employee was employed for part of the year and was in receipt of remuneration of more than ₹ 8.50 lakh per month.

In terms of Section 136 of the Act, the copy of the Financial Statements of the Company, including the Consolidated Financial Statements, the Auditor's Report and relevant Annexures to the said Financial Statements and reports are being sent to the Members and other persons entitled thereto, excluding the information in respect of the said employees containing the particulars as specified in Rule 5(2) of the said Rules, which is available for inspection by the Members at the Company's Registered Office during all working days except on Saturday, Sunday, Public Holidays and National Holidays, between 10.00 AM to 12.00 Noon up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, he may write to the Chief Financial Officer of the Company at its Registered/Corporate Office.

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

38. Acknowledgement and Appreciation

Your Directors take this opportunity to thank the Company's Customers, Shareholders, Suppliers, Bankers, Financial Institutions and the Central and State Governments for their unstinted support. The Directors would also like to place on record their appreciation to employees at all levels for their hard work, dedication and commitment.

For and on behalf of the Board

Arun Nanda
Chairman
DIN: 00010029

Mumbai
May 8, 2018

ANNEXURE I TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2018

Dividend Distribution Policy

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

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

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

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

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

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

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

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

- Internal Factors:
  - i. Profitable growth of the Company and specifically, profits earned during the financial year as compared with:
    - a. Previous years and
    - b. Internal budgets,
  - ii. Cash flow position of the Company,
  - iii. Accumulated reserves
  - iv. Earnings stability
  - v. Future cash requirements for organic growth/ expansion and/or for inorganic growth,
  - vi. Brand acquisitions,
  - vii. Current and future leverage and, under exceptional circumstances, the amount of contingent liabilities,
  - viii. Deployment of funds in short term marketable investments,
  - ix. Long term investments,
  - x. Capital expenditure(s), and
  - xi. The ratio of debt to equity (at net debt and gross debt level).
- External Factors:
  - i. Business cycles,
  - ii. Economic environment,
  - iii. Cost of external financing,
  - iv. Applicable taxes including tax on dividend,
  - v. Industry outlook for the future years,
  - vi. Inflation rate, and
  - vii. Changes in the Government policies, industry specific rulings & regulatory provisions.

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

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

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

i. Capital expenditure or working capital,
ii. Organic and/ or inorganic growth,
iii. Investment in new business(es) and/or additional investment in existing business(es),
iv. Declaration of dividend,
v. Capitalisation of shares,
vi. Buy back of shares,
vii. General corporate purposes, including contingencies,
viii. Correcting the capital structure,
ix. Any other permitted usage as per the Act.

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

This policy may be reviewed periodically by the Board.

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

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

For and on behalf of the Board

Arun Nanda
Chairman
DIN: 00010029

Mumbai
May 8, 2018

ANNEXURE II TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2018

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

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

Loans and advances in the nature of loans to subsidiary:

(₹ in lakh)

Name of the Company	Balance as on March 31, 2018	Maximum outstanding during the year
Heritage Bird (M) Sdn Bhd., Malaysia	727	727
Infinity Hospitality Group Company Limited, Thailand	Nil	1,359
MH Boutique Hospitality Limited, Thailand	583	583
Arabian Dreams Hotel Apartments LLC, Dubai*	530	817
Gables Promoters Private Limited	Nil	1,220
MHR Holdings (Mauritius) Limited, Mauritius	202	202
Mahindra Hotels And Residences India Limited	5	5

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

For and on behalf of the Board

Arun Nanda
Chairman
DIN: 00010029

Mumbai
May 8, 2018

ANNEXURE III TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2018

Annual Report on Corporate Social Responsibilities (CSR) Activities

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

   As always, the Company's CSR activities were undertaken through its own CSR department. The Company undertook various CSR activities through (i) active involvement of its employees under Employees Social Options Program (ESOP), which is the employees volunteering program in the nearby areas of Company's Resorts across India; (ii) partnerships with Corporate Foundations namely: The K C Mahindra Education Trust which promotes girl child education through Nanhi Kali programme; and (iii) partnerships with other reputed Not for Profit Organizations having an established track record of at least 3 years in carrying on the specific CSR activity.

   The Company's CSR initiatives are mostly focused on promoting education, public health, environmental sustainability (including Swachh Bharat), rural development, promoting gender equality & women empowerment. CSR initiatives taken up by the Company reflects Mahindra Group's 'Core Purpose' to "challenge conventional thinking and innovatively use all the resources of the Company to drive positive change in the lives of its stakeholders and communities across the world, to enable them to Rise". During the year under review, the Company has spent ₹ 340.20 lakh on CSR activities. The amount equal to 2% of the average net profit for the past three Financial Years is ₹ 340.00 lakh.

   The Company's CSR Policy is available under it's website: http://www.clubmahindra.com/ sites /default /files/ MHRIL_CSR_Policy.pdf

2. **The composition of the CSR Committee of the Board of Directors as on March 31, 2018:**

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

3. **Average net profit of the company for last three financial years :** ₹ 16,767 lakh.

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) :** ₹ 340 lakh

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

   (a) Total amount to be spent for the financial year : ₹ 340.00 lakh

   (b) Amount unspent, if any : Nil

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

Sr. no.	CSR project of activity identified	Sector in which the project is covered (as per Schedule VII) of the Companies Act, 2013	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ in lakh)	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overhead (₹ in lakh)	Cumulative expenditure upto the reporting period (₹ in lakh)	Amount spent: Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	NANHI KALI – Provides educational support (material & academic) to underprivileged girls in India through an after school support program. 4,670 girls were supported by your Company.	Promotion of Education	Pan India	170.00	170.00	170.00	Through implementing Agency – K. C. Mahindra Education Trust.
2	Promoting education & enhancing the vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects including renovation of school buildings and classrooms.	Promotion of Education	Coorg (Karnataka), Goa, Shimla (Himachal Pradesh), Musoorie (Uttarakhand), Puducherry, Tungi, Ratnagiri and Mumbai (Maharashtra) and Chennai (Tamil Nadu).	51.00	50.12	220.12	Direct and through Shakthi Foundation, Massom, Hejamadi Foundation, Anganwadi, Mumbai Lakers, Sewa Resource Centre, Christ University and United Way.
3	Conservation of natural resources, Swachh Bharat, Environment Sustainability	Ensuring Environmental Sustainability	Dharamshala and Manali (Himachal Pradesh), Binsar and Naukuchiatal (Uttarakhand), Ashtamudi (Kerala), Puducherry, Gir (Gujarat), Ooty and Kodai (Tamil Nadu), Virajpet and Coorg (Karnataka), Kanha (Madhya Pradesh), Tungi and Mumbai (Maharashtra) and Rajasthan.	43.00	43.12	263.24	Direct and through Sankalp Foundation and CII Foundation (Mumbai).
4	Health Care including preventive health care	Health Care	Manali (Himachal Pradesh), Chennai (Tamil Nadu) and Mumbai (Maharashtra).	17.00	20.30	283.54	Direct and through The Blind and Humanity Welfare Centre, Yuvak Prathishthan, Parkinson's Disease and Movement Disorder Society, Cancer Patients Aid Association and Narmada Kidney Foundation.
5	Rural Development, promoting gender equality, empowering women and Supporting orphanages & underprivileged children	Rural Development and promoting gender equality	Naldehra (Himachal Pradesh), Binsar (Uttarakhand), Jaisalmer (Rajasthan), Mahableshawar (Maharashtra) and Chennai (Tamil Nadu).	59.00	56.66	340.20	Direct and through Self Help Groups, Swayam, Gunsar Lok Sangeeth Sansthan and Bal Ashram (Orphanage).
	Total			**340.00**	**340.20**		

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

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

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

Kavinder Singh
Managing Director & CEO
DIN: 0699403

Arun Nanda
Chairman - Corporate Social Responsibility Committee
DIN: 00010029

Mumbai
May 8, 2018

ANNEXURE IV TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2018

Policy on Appointment of Directors and Senior Management

Appointment of Directors

- The Nomination and Remuneration Committee (NRC) reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and independence of director:
  1. All Board appointments will be based on merit, in the context of the skills, experience, independence and knowledge, for the Board as a whole to be effective.
  2. Ability of the candidates to devote sufficient time and attention to his / her professional obligations as Independent Director for informed and balanced decision making.
  3. Adherence to the Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Independent Directors.
- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman will interact with the new member to obtain his / her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act 2013 and Rules made thereunder.

Removal of Directors

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

Senior Management Personnel

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

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

For and on behalf of the Board

Arun Nanda
Chairman
DIN: 00010029

Mumbai
May 8, 2018

ANNEXURE V-A TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2018

Policy on Remuneration of Directors

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

Objective

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

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

a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;

b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c) remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

While deciding the policy on remuneration of Directors the Committee may consider amongst other things, the duties and responsibilities cast by the Companies Act, 2013, the Listing Agreement, various Codes of Conduct, Articles of Association, restrictions on the remuneration to Directors as also the remuneration drawn by Directors of other companies in the industry, the valuable contributions and inputs from Directors based on their knowledge, experience and expertise in shaping the destiny of the Company etc. The Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under Section 178 of the Companies Act 2013 and principles pertaining to qualifications, positive attributes, integrity and independence of Directors, etc.

Directors

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

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

The NRC while designing the remuneration shall ensure that the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the Company successfully.

While considering a remuneration, the NRC shall also ensure a balance between fixed and performance linked variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

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

Managing Director and Executive Directors

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

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

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

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

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

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

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

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

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

Non-executive Directors

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

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

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

Disclosures

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

For and on behalf of the Board

Arun Nanda
Chairman
DIN: 00010029

Mumbai
May 8, 2018

ANNEXURE V-B TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2018

Policy on Remuneration for Key Managerial Personnels and Employees

Applicability

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

Objective

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

Standards

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

For and on behalf of the Board

Arun Nanda
Chairman
DIN: 00010029

Mumbai
May 8, 2018

ANNEXURE VI TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2018

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

To,
The Members,
Mahindra Holidays & Resorts India Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the relevant and applicable provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; and

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

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

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

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

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

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

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

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

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

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

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. It was brought to our notice by the Company that on November 24, 2017 it had received an email from SEBI to examine w.r.t. the news article published in the media regarding circulation of WhatsApp message pertaining to Bonus Issue, prior to its declaration. The Company has replied to the same on December 8, 2017 and as informed by the Company, it has not received any further communication on the same from SEBI.

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

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

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

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

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

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

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

(i) At the Board Meeting held on May 19, 2017 the Board, inter-alia, approved the following matters:

   a) Issue of Bonus Shares in the ratio of (1:2) equity shares to the existing shareholders of the Company, subject to approval of members; and

   b) Allotment of 55,000 Equity Shares to the eligible Employee/ Director of the Company, who have exercised the Stock Options granted by the Company under MHRIL ESOS – 2014.

(ii) The members through postal ballot, the result whereof were declared on July 1, 2017, inter-alia, approved the Issue of Bonus Equity Shares in the ratio of (1:2) to the existing equity shareholders of the Company and the same were subsequently allotted on July 12, 2017;

(iii) At the Annual General Meeting of the members held on August 2, 2017, *inter-alia*, declared a Final dividend of ₹ 5 per Equity share; and

(iv) The Securities Allotment Committee vide its resolutions passed by circulation on February 14, 2018, February 27, 2018 and March 21, 2018 approved the allotment of 25,000, 50,000 and 1,15,000 Equity Shares respectively to the Eligible Employee / Director of the Company, who have exercised the Stock Options granted by the Company under MHRIL ESOS – 2014;

For **M Siroya and Company**
Company Secretaries

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

May 8, 2018
Mumbai

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

'Annexure A'

To,
The Members,
Mahindra Holidays & Resorts India Limited

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

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

For **M Siroya and Company**
Company Secretaries

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

May 8, 2018
Mumbai

ANNEXURE VII TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2018

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Income from sale of vacation ownership (VO)	55101	50
2	Annual Subscription Fee from VO members	55101	20
3	Income from sale of Food and Beverages	55101	11

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GIN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD*	APPLICABLE SECTION
1.	Mahindra & Mahindra Limited Gateway Building, Apollo Bunder, Mumbai – 400 001	L65990MH1945PLC004558	Holding	67.36	2(46)
2.	Gables Promoters Pvt Ltd No. 504, Block A, 5th Floor, Elante Office Suites, Plot No-178-178/A, Industrial Area, Phase 1, Chandigarh – 160 001	U45209CH2012PTC033473	Subsidiary	100	2(87)(ii)
3.	Mahindra Hotels And Residences India Ltd Mahindra Towers, 2nd Floor, 17/18 Patullos Road, Chennai – 600 002	U55101TN2007PLC063285	Subsidiary	100	2(87)(ii)
4.	Heritage Bird (M) Sdn. Bhd. 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor, Malaysia	-	Subsidiary	100	2(87)(ii)
5.	MH Boutique Hospitality Limited No. 33/118-119 Wall Street Tower Building, 23rd Floor Surawongse Road, Khwaeng Suriyawongse, Bangrak District, Bangkok, Thailand	-	Subsidiary	49	2(87)(i)

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GIN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD*	APPLICABLE SECTION
6.	Infinity Hospitality Group Company Ltd@ No. 20 Soi Sukhumvit 7 (Lerdsin 2), Sukhumvit Road, Khwaeng Khlongtoey Nua, Khet Wattana Bangkok, Thailand	-	Subsidiary	73.99	2(87)(ii)
7.	MHR Holdings (Mauritius) Ltd IFS Court, Twenty Eight Cyber City, Ebene, 72201, Mauritius	-	Subsidiary	100	2(87)(ii)
8.	Covington S.á.r.l.> 9 Allée Scheffer L-2520, Luxembourg, Grand Duchy of Luxembourg	-	Subsidiary	100	2(87)(ii)
9.	HCR Management Oy# Hitsaajankatu 22, 00810 Helsinki, Finland	-	Subsidiary	100	2(87)(ii)
10.	Holiday Club Resorts Oy# Hitsaajankatu 22, 00810 Helsinki, Finland	-	Subsidiary	95.16	2(87)(ii)
11.	Holiday Club Sweden AB$ Box 68, 83013 Åre, Sweden	-	Subsidiary	95.16	2(87)(ii)
12.	Ownership Service Sweden AB^ c/o Holiday Club Sweden AB, Box 68, 83013 Åre, Sweden	-	Subsidiary	95.16	2(87)(ii)
13.	Holiday Club Canarias Investment S.L.U.^ Avenida Ministra Anna Lindh no.1, Amadores, Mogan 35130, Canary Islands, Spain	-	Subsidiary	95.16	2(87)(ii)
14.	Holiday Club Canarias Sales & Marketing S.L.U.+ Avenida Ministra Anna Lindh no.1, Amadores, Mogan 35130, Canary Islands, Spain	-	Subsidiary	95.16	2(87)(ii)
15.	Holiday Club Canarias Resort Management S.L.U. + Avenida Ministra Anna Lindh no.1, Amadores, Mogan 35130, Canary Islands, Spain	-	Subsidiary	95.16	2(87)(ii)
16.	Holiday Club Resorts Rus LLC$ Bolshaya Konushennaya str, 8. 191186 St-Petersburg, Russia	-	Subsidiary	95.16	2(87)(ii)
17.	Suomen Vapaa-aikakiinteistöt Oy$ c/o Holiday Club Resorts Oy, Lapinniemenranta 12 33180 Tampere	-	Subsidiary	95.16	2(87)(ii)
18.	Kiinteistö Oy Himos Gardens$ c/o Holiday Club Isännöinti PL 618, 33101 Tampere	-	Subsidiary	95.16	2(87)(ii)
19.	Kiinteistö Oy Himoksen Tähti 2$ c/o Holiday Club Resorts Oy, Lapinniemenranta 12 33180 Tampere	-	Subsidiary	95.16	2(87)(ii)
20.	Kiinteistö Oy Vanha Ykköstii$ Hitsaajankatu 22, 00810 Helsinki	-	Subsidiary	95.16	2(87)(ii)
21.	Kiinteistö Oy Katinnurkka$ c/o Holiday Club Isännöinti PL 619, 33101 Tampere	-	Subsidiary	95.16	2(87)(ii)
22.	Kiinteistö Oy Tenetinlahti$ c/o Holiday Club Isännöinti PL 618, 33101 Tampere	-	Subsidiary	95.16	2(87)(ii)
23.	Kiinteistö Oy Mällösniemi$ c/o Holiday Club Resorts Oy Hitsaajankatu 22, 00810 Helsinki	-	Subsidiary	95.16	2(87)(ii)
24.	Kiinteistö Oy Rauhan Ranta 1$ c/o Holiday Club Resorts Oy Hitsaajankatu 22, 00810 Helsinki	-	Subsidiary	95.16	2(87)(ii)
25.	Kiinteistö Oy Rauhan Ranta 2$ c/o Holiday Club Resorts Oy Hitsaajankatu 22, 00810 Helsinki	-	Subsidiary	95.16	2(87)(ii)

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GIN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD*	APPLICABLE SECTION
26.	Kiinteistö Oy Tiurunniemi$ c/o Holiday Club Isännöinti PL 618, 33101 Tampere	-	Subsidiary	95.16	2(87)(ii)
27.	Kiinteistö Oy Rauhan Liikekiinteistöt 1$ c/o Holiday Club Isännöinti PL 619, 33101 Tampere	-	Subsidiary	95.16	2(87)(ii)
28.	Supermarket Capri Oy$ c/o Kauppakeskus Capri Oy Vipelentie 3-5, 55320 Rauha	-	Subsidiary	95.16	2(87)(ii)
29.	Kiinteistö Oy Kylpyläntorni 1$ c/o Holiday Club Isännöinti PL 618, 33101 Tampere	-	Subsidiary	95.16	2(87)(ii)
30.	Kiinteistö Oy Spa Lofts 2$ c/o Holiday Club Isännöinti PL 619, 33101 Tampere	-	Subsidiary	95.16	2(87)(ii)
31.	Kiinteistö Oy Spa Lofts 3$ c/o Holiday Club Isännöinti PL 619, 33101 Tampere	-	Subsidiary	95.16	2(87)(ii)
32.	Kiinteistö Oy Kuusamon Pulkkajärvi 1$ c/o Holiday Club Isännöinti PL 619, 33101 Tampere	-	Subsidiary	95.16	2(87)(ii)
33.	Holiday Club Sport and Spahotels AB^ Box 68, 830 14 Åre, State Jamtlands Lan, Åre Kummun	-	Subsidiary	48.53	2(87)(ii)
34.	Åre Villa 1 AB^ c/o Holiday Club Sweden AB, Box 68, 830 14 Åre, Sweden	-	Subsidiary	95.16	2(87)(ii)
35.	Åre Villa 2 AB^ c/o Holiday Club Sweden AB, Box 68, 830 14 Åre, Sweden	-	Subsidiary	95.16	2(87)(ii)
36.	Åre Villa 3 AB^ (formerly known as Visionsbolaget 12191 AB) c/o Holiday Club Sweden AB, Box 68, 830 14 Åre, Sweden	-	Subsidiary	95.16	2(87)(ii)
37.	Arabian Dreams Hotel Apartments LLC PO Box 31993, Bur Dubai, Al Rafaa, Dubai, United Arab Emirates	-	Joint Venture	49	2(6)
38.	Guestline Hospitality Management & Development Service Limited Saleh Centre Annexe, 1st Floor, 18/4, Cunningham Road, Bangalore – 560 052	U55101KA1994PLC015472	Associate	49.94	2(6)
39.	Kiinteistö Oy Seniori-Saimaa€ Villimiehenkatu 1, 53100 Lappeenranta	-	Associate	29.50	2(6)
40.	Kiinteistö Oy Sallan Kylpylä€ c/o Sallan Kunta, PL 28, 98901 Salla, Finland	-	Associate	46.63	2(6)
41.	Tropiikin Rantasauna Oy~ c/o Kuusamon kaupunki, Keskuskuja 6 93600 Kuusamo, Finland	-	Joint Venture	47.58	2(6)

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

@ a subsidiary of MH Boutique Hospitality Limited

> a subsidiary of MHR Holdings (Mauritius) Limited

a subsidiary of Covington S.à.r.l.

$ a subsidiary of Holiday Club Resorts Oy

^ a subsidiary of Holiday Club Sweden AB

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

€ an associate of Holiday Club Resorts Oy

~ a Joint venture of Holiday Club Resorts Oy

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

i) Category-wise Share Holding

CAT-EGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2017				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2018				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	**PROMOTER AND PROMOTER GROUP**									
(1)	INDIAN									
(a)	Individual /HUF	-	-	-	-	-	-	-	-	-
(b)	Central Government /State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	5,99,27,077	-	5,99,27,077	67.50	8,98,90,615	-	8,98,90,615	67.36	-0.14
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1) :	**5,99,27,077**	**-**	**5,99,27,077**	**67.50**	**8,98,90,615**	**-**	**8,98,90,615**	**67.36**	**-0.14**
(2)	FOREIGN									
(a)	Individuals (NRIs/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	-	-	-	-	-	-	-	-	-
	Total A=A(1)+A(2)	**5,99,27,077**	**-**	**5,99,27,077**	**67.50**	**8,98,90,615**	**-**	**8,98,90,615**	**67.36**	**-0.14**
(B)	**PUBLIC SHAREHOLDING**									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	1,29,02,434	-	1,29,02,434	14.53	1,69,33,527	-	1,69,33,527	12.69	-1.84
(b)	Financial Institutions /Banks	23,373	-	23,373	0.03	34,046	-	34,046	0.03	-
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	60,18,103	-	60,18,103	6.78	94,62,881	-	94,62,881	7.09	0.31
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total B(1) :	**1,89,43,910**	**-**	**1,89,43,910**	**21.34**	**2,64,30,454**	**-**	**2,64,30,454**	**19.81**	**-1.53**

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2017				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2018				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	13,54,110	-	13,54,110	1.53	19,91,207	-	19,91,207	1.49	-0.04
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹2 lakh	40,11,532	14,302	40,25,834	4.53	68,37,160	19,578	68,56,738	5.14	0.61
	(ii) Individuals holding nominal share capital in excess of ₹2 lakh	31,87,239	-	31,87,239	3.59	62,82,912	-	62,82,912	4.71	1.12
(c)	Others									
	Clearing Members	1,00,332	-	1,00,332	0.11	1,03,722	-	1,03,722	0.08	-0.03
	Foreign Bodies	58,111	-	58,111	0.07	-	-	-	-	-0.07
	Non Resident Indians	3,58,122	-	3,58,122	0.40	6,72,370	-	6,72,370	0.50	0.10
	Trusts									
	1. Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust	5,46,360	-	5,46,360	0.62	6,84,290	-	6,84,290	0.51	-0.11
	2. Other Trusts	10,000	-	10,000	0.01	7,648	-	7,648	0.01	-
	HUF	2,67,775	1	2,67,776	0.30	5,14,715	1	5,14,716	0.39	0.09
	NBFC	1,985	-	1,985	0.00	8,898	-	8,898	0.00	0.00
	Investor Education and Protection Fund Authority	-	-	-	-	214	-	214	0.00	-
(d)	Qualified Foreign Investor	-	-	-	-					-
	Sub-Total B(2) :	**98,95,566**	**14,303**	**99,09,869**	**11.16**	**1,71,03,136**	**19,579**	**1,71,22,715**	**12.83**	**1.67**
	Total B=B(1)+B(2):	**2,88,39,476**	**14,303**	**2,88,53,779**	**32.50**	**4,35,33,590**	**19,579**	**4,35,53,169**	**32.64**	**0.14**
	Total (A+B):	**8,87,66,553**	**14,303**	**8,87,80,856**	**100.00**	**13,34,24,205**	**19,579**	**13,34,43,784**	**100.00**	**-**
(C)	**Shares held by custodians, against which Depository Receipts have been issued**									
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-	-	-
	Total C	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	GRAND TOTAL (A+B+C) :	**8,87,66,553**	**14,303**	**8,87,80,856**	**100.00**	**1,33,424,205**	**19,579**	**13,34,43,784**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2017			Shareholding at the end of the year 31/03/2018			% Change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Mahindra & Mahindra Limited	5,99,27,077	67.50	0.00	8,98,90,615	67.36	0.00	-0.14
	Total	**5,99,27,077**	**67.50**	**0.00**	**8,98,90,615**	**67.36**	**0.00**	**-0.14**

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

Sl. No.	Date	Reason for Increase/Decrease	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	01/04/2017	Opening Balance	Mahindra & Mahindra Limited	5,99,27,077	67.50	5,99,27,077	67.50
	12/07/2017	Bonus Allotment		2,99,63,538	NA	8,98,90,615	67.46
	31/03/2018	Closing Balance				8,98,90,615	67.36

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

Sl. No.	Date	Reason for Increase/Decrease	Name of the Share Holder	Shareholding at the beggining of the Year		Cumulative Shareholding during the Year	
				No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1.	01/04/2017	Opening Balance	GOVERNMENT PENSION FUND GLOBAL	35,00,000	3.94	35,00,000	3.94
	07/04/2017	Sale		22,000	0.02	34,78,000	3.92
	14/04/2017	Sale		18,000	0.02	34,60,000	3.90
	16/06/2017	Sale		47,900	0.05	34,12,100	3.84
	23/06/2017	Purchase		37,900	0.04	34,50,000	3.88
	30/06/2017	Purchase		2,50,000	0.28	37,00,000	4.16
	12/07/2017	Bonus Allotment		18,50,000	NA	55,50,000	4.16
	21/07/2017	Purchase		2,18,332	0.16	57,68,332	4.33
	04/08/2017	Sale		13,332	0.01	57,55,000	4.32
	03/11/2017	Sale		8,000	0.01	57,47,000	4.31
	10/11/2017	Sale		8,000	0.01	57,39,000	4.30
	31/03/2018	Closing Balance				57,39,000	4.30
2.	01/04/2017	Opening Balance	HDFC TRUSTEE COMPANY LTD - A/C HDFC MID – CAP OPPORTUNITIES FUND	24,39,000	2.75	24,39,000	2.75
	28/04/2017	Purchase		32,000	0.04	24,71,000	2.78
	12/07/2017	Bonus Allotment		12,35,500	NA	37,06,500	2.78
	31/03/2018	Closing Balance				37,06,500	2.78
3.	01/04/2017	Opening Balance	HDFC TRUSTEE COMPANY LIMITED A/C HDFC BALANCED FUND	19,56,000	2.20	19,56,000	2.20
	12/07/2017	Bonus Allotment		9,78,000	NA	29,34,000	2.20
	31/03/2018	Closing Balance				29,34,000	2.20

Sl. No.	Date	Reason for Increase/Decrease	Name of the Share Holder	Shareholding at the beggінning of the Year		Cumulative Shareholding during the Year	
				No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
4.	01/04/2017	Opening Balance	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MIDCAP	11,56,685	1.30	11,56,685	1.30
	12/07/2017	Bonus Allotment		5,78,342	NA	17,35,027	1.30
	12/01/2018	Purchase		39,621	0.03	17,74,648	1.33
	19/01/2018	Purchase		1,06,347	0.08	18,80,995	1.41
	26/01/2018	Purchase		48,430	0.04	19,29,425	1.45
	31/03/2018	Closing Balance				19,29,425	1.45
5.	01/04/2017	Opening Balance	SBI MAGNUM MIDCAP FUND	11,53,933	1.30	11,53,933	1.30
	07/04/2017	Purchase		75,000	0.08	12,28,933	1.38
	12/07/2017	Bonus Allotment		6,14,466	NA	18,43,399	1.38
	09/02/2018	Sale		55,249	0.04	17,88,150	1.34
	16/03/2018	Sale		39,422	0.03	17,48,728	1.31
	31/03/2018	Closing Balance				17,48,728	1.31
6.	01/04/2017	Opening Balance	SBI MAGNUM GLOBAL FUND	11,40,000	1.28	11,40,000	1.28
	07/04/2017	Purchase		75,000	0.08	12,15,000	1.37
	28/04/2017	Purchase		20,350	0.02	12,35,350	1.39
	12/07/2017	Bonus Allotment		6,17,675	NA	18,53,025	1.39
	04/08/2017	Sale		22,940	0.02	18,30,085	1.37
	08/09/2017	Sale		85,775	0.06	17,44,310	1.31
	15/09/2017	Sale		12,095	0.01	17,32,215	1.30
	31/03/2018	Closing Balance				17,32,215	1.30
7.	01/04/2017	Opening Balance	RELIANCE CAPITAL TRUSTEE CO LTD-A/C RELIANCE MID & SMALL CAP FUND	10,79,146	1.22	10,79,146	1.22
	30/06/2017	Sale		19,712	0.02	10,59,434	1.19
	12/07/2017	Bonus Allotment		5,29,717	NA	15,89,151	1.19
	02/03/2018	Sale		1,14,943	0.09	14,74,208	1.11
	16/03/2018	Sale		1,20,364	0.09	13,53,844	1.02
	23/03/2018	Sale		1,45,728	0.11	12,08,116	0.91
	30/03/2018	Sale		1,55,807	0.12	10,52,309	0.79
	31/03/2018	Closing Balance				10,52,309	0.79
8.	01/04/2017	Opening Balance	MIRAE ASSET EMERGING BLUECHIP FUND	9,48,945	1.07	9,48,945	1.07
	07/04/2017	Sale		1,34,035	0.15	8,14,910	0.92
	16/06/2017	Sale		40,000	0.05	7,74,910	0.87
	30/06/2017	Sale		2,20,000	0.25	5,54,910	0.62
	07/07/2017	Sale		4,597	0.01	5,50,313	0.62
	12/07/2017	Bonus Allotment		2,75,156	NA	8,25,469	0.62
	04/08/2017	Sale		15,555	0.01	8,09,914	0.61
	31/03/2018	Closing Balance				8,09,914	0.61

Sl. No.	Date	Reason for Increase/Decrease	Name of the Share Holder	Shareholding at the beggining of the Year		Cumulative Shareholding during the Year	
				No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
9.	01/04/2017	Opening Balance	PARAG PARIKH LONG TERM VALUE FUND	5,69,281	0.64	5,69,281	0.64
	02/06/2017	Purchase		5,000	0.01	5, 74,281	0.65
	12/07/2017	Bonus Allotment		2,87,140	NA	8,61,421	0.65
	28/07/2017	Sale		5,000	0.00	8,56,421	0.64
	31/03/2018	Closing Balance				8,56,421	0.64
10.	01/04/2017	Opening Balance	MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED EMPLOYEES' STOCK OPTION TRUST	5,46,360	0.62	5,46,360	0.62
	28/04/2017	Sale		17,000	0.02	5,29,360	0.60
	16/06/2017	Sale		3,000	0.00	5,26,360	0.59
	11/07/2017	Sale		958	0.00	5,25,402	0.59
	12/07/2017	Bonus Allotment		2,62,701	NA	7,88,103	0.59
	22/09/2017	Sale		5,000	0.00	7,83,103	0.59
	03/11/2017	Sale		15,000	0.01	7,68,103	0.58
	08/12/2017	Sale		20,250	0.02	7,47,853	0.56
	16/02/2018	Sale		35,563	0.03	7,12,290	0.53
	23/02/2018	Sale		13,000	0.01	6,99,290	0.52
	02/03/2018	Sale		15,000	0.01	6,84,290	0.51
	31/03/2018	Closing Balance				6,84,290	0.51
11.	01/04/2017	Opening Balance	PRAVES EQUITY INDIA	1,354	0.00	1,354	0.00
	07/04/2017	Purchase		48,373	0.06	49,727	0.06
	14/04/2017	Purchase		60,000	0.06	1,09,727	0.12
	12/07/2017	Bonus Allotment		54,863	NA	1,64,590	0.12
	18/08/2017	Purchase		91,000	0.07	2,55,590	0.19
	08/09/2017	Purchase		1,90,410	0.14	4,46,000	0.33
	15/09/2017	Purchase		4,00,000	0.30	8,46,000	0.63
	29/09/2017	Purchase		1,96,868	0.15	10,42,868	0.78
	31/03/2018	Closing Balance				10,42,868	0.78

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Date	Reason for Increase/Decrease	Name of the Share Holder	Shareholding at the beggining of the Year		Cumulative Shareholding during the Year	
				No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1.	01/04/2017	Opening Balance	Arun Nanda	6,94,630	0.78	6,94,630	0.78
	19/05/2017	ESOP allotment		50,000	0.06	7,44,630	0.84
	12/07/2017	Bonus Allotment		3,72,315	NA	11,16,945	0.84
	21/03/2018	ESOP Allotment		75,000	0.05	11,91,945	0.89
	26/03/2018	Purchase		75,000	0.06	12,66,945	0.95
	31/03/2018	Closing Balance				12,66,945	0.95
2.	01/04/2017	Opening Balance	Cyrus Guzder	26,700	0.03	26,700	0.03
	12/07/2017	Bonus Allotment		13,350	NA	40,050	0.03
	31/03/2018	Closing Balance				40,050	0.03
3.	01/04/2017	Opening Balance	Vineet Nayyar	26,700	0.03	26,700	0.03
	12/07/2017	Bonus Allotment		13,350	NA	40,050	0.03
	31/03/2018	Closing Balance				40,050	0.03
4.	01/04/2017	Opening Balance	Rohit Khattar	26,700	0.03	26,700	0.03
	12/07/2017	Bonus Allotment		13,350	NA	40,050	0.03
	31/03/2018	Closing Balance				40,050	0.03
5.	01/04/2017	Opening Balance	Sridar Iyengar	-	-	-	-
	14/02/2018	ESOP Allotment		10,313	0.01	10,313	0.01
	31/03/2018	Closing Balance				10,313	0.01
6	01/04/2017	Opening Balance	S Krishnan*	-	-	-	-
	14/02/2018	ESOP Allotment		25,000	0.02	25,000	0.02
	24/02/2018	Sale		20,307	0.02	4,693	0.00
	26/02/2018	Sale		581	0.00	4,112	0.00
	27/02/2018	ESOP Allotment		50,000	0.04	54,112	0.04
	06/03/2018	Sale		4,112	0.00	50,000	0.04
	10/03/2018	Sale		14,900	0.01	35,100	0.03
	12/03/2018	Sale		13,500	0.01	21,600	0.02
	14/03/2018	Sale		5,958	0.00	15,642	0.01
	16/03/2018	Sale		4,128	0.00	11,514	0.01
	21/03/2018	ESOP Allotment		40,000	0.03	51,514	0.04
	24/03/2018	Sale		8,283	0.01	43,231	0.03
	28/03/2018	Sale		3,231	0.00	40,000	0.03
	31/03/2018	Closing Balance				40,000	0.03
7.	01/04/2017	Opening Balance	Dinesh Shetty#	0	0	0	0
	19/02/2018	ESOP Allotment		8,000	0.00	8,000	0.00
	13/03/2018	Sale		1,000	0.00	7,000	0.00
	28/03/2018	Sale		3,000	0.00	4,000	0.00
	31/03/2018	Closing Balance				4,000	0.00

* Ceased to be an Executive Director w.e.f. January 21, 2018.
# Ceased to be Company Secretary w.e.f. March 31, 2018.

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

V. Indebtedness

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

(₹ in lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01/04/2017				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year		Nil		
• Addition				
• Reduction				
Net Change				
Indebtedness at the end of the financial year 31/03/2018				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/~~Manager~~		Total Amount
		Kavinder Singh (Managing Director & CEO)	S Krishnan# (Executive Director)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	365.61	167.92	533.53
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5.24	0.35	5.59
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option related perquisites	-	141.08	141.08
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	370.85	309.35	680.20
	Ceiling as per the Act	₹ 2,130 lakh (being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

Ceased to be an Executive Director w.e.f. January 21, 2018.

B. Remuneration to other directors:

(₹ in lakh)

Particulars of Remuneration	Name of Directors								Total Amount
	Arun Nanda	Cyrus Guzder	Rohit Khattar	Sanjeev Aga	Sridar Iyengar	Radhika Shastry	V S Parthasarathy	Vineet Nayyar	
Independent Directors									
• Fees for attending board / committee meetings	-	8.00	4.80	6.20	8.10	6.00	-	-	33.10
• Commission	-	15.00	13.50	13.50	15.00	13.50	-	-	70.50
• Others, please specify	-	-	-	-	-	-	-	-	-
Total (1)	-	23.00	18.30	19.70	23.10	19.50	-		103.60
Other Non-Executive Directors									
• Fees for attending board/ committee meetings	9.00	-	-	-	-	-	-	5.90	14.90
• Commission	100.00	-	-	-	-	-	-	13.50	113.50
• Others, please specify	-	-	-	-	-	-	-	-	-
Total (2)	109.00	-	-	-	-	-	-	19.40	128.40
Total (B)=(1+2)	109.00	23.00	18.30	19.70	23.10	19.50	-	19.40	232.00
Total Managerial Remuneration (A+B)									912.20
Overall Ceiling as per the Act (A+B)	₹ 2,343 lakh (being 11% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)								

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

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary^	CFO		Total
			S Krishnan#	Akhila Balachandar*	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	79.55	Refer Point No. VI A	92.88	172.43
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.44		0.38	0.82
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-		-	-
2.	Stock Option related perquisites	7.11		-	7.11
3.	Sweat Equity	-		-	-
4.	Commission - as % of profit -others, specify...	-		-	-
5.	Others, please specify	-		-	-
	TOTAL	87.10		93.26	180.36

^ Ceased to be Company Secretary w.e.f. March 31, 2018
# Ceased to be CFO w.e.f. May 20, 2017
* Appointed as CFO w.e.f. May 20, 2017

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

For and on behalf of the Board

Arun Nanda
Chairman
DIN: 00010029

Mumbai
May 8, 2018

ANNEXURE VIII TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2018

A) Conservation of energy:

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

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

- Installation of Solar Energy for hot water generation at resorts.
- Replacement of diesel fired hot water generator with installation of energy efficient heat pumps at resorts for air-conditioning and space heating.
- Timers for external lighting and installation of energy efficient LED lighting at the resorts.
- Maintaining power factor to 0.99.
- Voltage regulation by installing automatic voltage stabilizer.

(ii) The steps taken by the company for utilizing alternate sources of energy: Installation of Bio gas plant and solar power generation plants.

(iii) The capital investment on energy conservation equipment: ₹ 304 lakh.

B) Technology absorption:

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

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

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

(a) The details of technology imported;

(b) The year of import;

(c) Whether the technology been fully absorbed;

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

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

(C) Foreign Exchange earnings and outgo:

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

(₹ in lakh)

Total Foreign Exchange Earnings & Outgo	For the financial year ended March 31, 2018	For the financial year ended March 31, 2017
Foreign Currency Earnings	320	502
Foreign Exchange Outgo (including remittance of Dividend)	4,160	3,954

For and on behalf of the Board

Arun Nanda
Chairman
DIN: 00010029

Mumbai
May 8, 2018

ANNEXURE IX TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2018

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

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

Name of the Directors	Ratio to median remuneration
Non-Executive Directors*	
Mr. Arun Nanda	42:1
Mr. Cyrus Guzder	9:1
Mr. Sridar Iyengar	9:1
Mr. Sanjeev Aga	8:1
Mr. Rohit Khattar	7:1
Ms. Radhika Shastry	8:1
Mr. V S Parthasarathy	-
Mr. Vineet Nayyar	8:1
Executive Directors	
Mr. Kavinder Singh	144:1
Mr. S Krishnan#	74:1

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

\# Ceased to be an Executive Director w.e.f. January 21, 2018.

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

Name of the Directors, Chief Financial Officer and Company Secretary	Percentage increase in remuneration
Mr. Arun Nanda	1.2%
Mr. Cyrus Guzder	12.7%
Mr. Sridar Iyengar	7.9%
Mr. Sanjeev Aga	11.3%
Mr. Rohit Khattar	-6.6%
Ms. Radhika Shastry	11.4%
Mr. V S Parthasarathy	N.A.
Mr. Vineet Nayyar	36.3%
Mr. Kavinder Singh, Managing Director & CEO	15.0%
Mr. S Krishnan, Executive Director*	6.0%
Mr. Dinesh Shetty, General Counsel & Company Secretary#	6.0%
Mrs. Akhila Balachandar, Chief Financial Officer	6.4%

* Ceased to be an Executive Director w.e.f. January 21, 2018.

\# Ceased to be Company Secretary w.e.f. March 31, 2018.

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

The percentage increase in the median remuneration of the employees in the financial year was around 10.8%. The calculation of percentage increase in median remuneration is done based on comparable employees and for this purpose, we have excluded employees who were not eligible for any increment.

4. **The Number of permanent Employees on the rolls of the Company:** 5,246

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

The average percentage increase made in the salaries of total employees other than the Key Managerial Personnel during the Financial Year 2017-18 was around 8.83%, while the average increase in the remuneration of the Key Managerial Personnel was around 10.32%. The remuneration of the managerial personnel is based on the remuneration policy as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

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

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

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

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

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

For and on behalf of the Board

Arun Nanda
Chairman
DIN: 00010029

Mumbai
May 8, 2018

Management Discussion and Analysis

Mahindra Holidays & Resorts India Limited ('Mahindra Holidays', 'MHRIL' or 'the Company') is a leading player in the leisure hospitality industry. Founded in 1996, it has established vacation ownership business in India, and is the market leader in the business with over 2.35 lakh members and 55 resorts. Together with its Finnish subsidiary, Holiday Club Resorts (HCR), Mahindra Holidays has a bouquet of 88 resorts in Asia and Europe, making it the largest vacation ownership company outside the USA.

Apart from providing quality rooms in the form of furnished apartments and cottages at resorts in unique and popular destinations, Mahindra Holidays offers to its vacation ownership members family-friendly amenities including dining, holiday activities, spa and wellness facilities for a complete holiday experience.

This Management Discussion and Analysis Report (MDA) presents an overview of the operational and financial performance of the Company during 2017-18. It also highlights Mahindra Holidays' strategy, and discusses important initiatives taken by it to achieve its growth and performance objectives.

Performance Highlights

Growing Membership... Focus on Quality

Mahindra Holidays added more than 18,200 members to its vacation ownership business in 2017-18 — taking the cumulative membership base to over 2.35 lakh at the end of 2017-18. This represents a 8.1 per cent growth in cumulative membership over the previous year.

The performance is creditable for two reasons. First, the consumer predisposition towards discretionary product categories continued to be subdued in 2017-18. Second, the Company took a conscious decision to focus on high-quality memberships with more conservative payment plans — involving higher down payments and fewer EMIs. The Company's efforts to achieve this growth is discussed in the sections on 'Strategy' and 'Business Performance'.

Strong Inventory Addition... The Pace to Continue

Mahindra Holidays added 320 room units to its room inventory during the year — versus 273 units in 2016-17 — taking the total room inventory to 3,472 units across its 55 resorts. This includes the 115-units greenfield project at Naldehra, Himachal Pradesh, which became operational in 2017-18 as well as leases and inventory arrangements across multiple locations in India and international destinations such as Singapore and Dubai.

Pace of room inventory growth is expected to remain strong with three ongoing greenfield and expansion projects expected to add close to 500 units over the next few years. Further details are provided in the section on 'Properties and New Projects'.

Member Satisfaction at an All-Time High

During 2017-18, member satisfaction improved considerably: both customer-as-promoter and post-holiday feedback scores were at an all-time high. Despite an increase in room inventory, Mahindra Holidays maintained occupancy rate at 85.1 per cent. Initiatives undertaken to upgrade resort infrastructure and amenities, new holiday activities and F&B facilities are discussed in the section on 'Resort Operations'.

Adoption of the Company's full-feature mobile app for its members increased significantly in 2017-18 with over 3 lakh downloads and use by 1.1 lakh members. The percentage of online bookings was at 84 per cent during 2017-18. Further information on initiatives and improvements in member servicing is available in the section on 'Member Relations'.

Towards an Experience Ecosystem... Aided by Digital

Mahindra Holidays took significant strides in 2017-18 to augment its 'experience ecosystem' with curated in-city experiences, festival and theme-based vacations as well as exchange programmes with top-rated hotel chains in India and abroad. It also recently launched a cruise exchange programme. Member engagement outside resorts through 'Heart-to-Heart' events increased significantly with their roll out in Tier 2 cities.

The Company revisited its content strategy to move towards video and other non-static forms of content in keeping with the emerging trends in media consumption and rising relevance of social media. ***During the year, Mahindra Holidays created over 150 videos showcasing its resorts and holiday experiences, employing them in successful campaigns for brand building, digital lead generation and resort marketing.*** More on this is provided in the section on 'Strategy'.

Creditable Financial Performance

Despite a subdued macro-environment, the Company registered a steady growth in membership. This, coupled with a robust increase in resort incomes and efficiencies across the broad spectrum of its operations, allowed Mahindra Holidays to register creditable results in 2017-18. Key metrics of the Company's financial performance as a standalone entity are given below:

- Total income (including other income) remained stable at ₹ 1,094 crore in 2017-18, compared to ₹ 1,090 crore in 2016-17.
- Profit before Taxes (PBT) grew by 3.1 per cent from ₹ 201 crore in 2016-17 to ₹ 207 crore in 2017-18. Profit after Taxes (PAT) grew by 2.8 per cent from ₹ 131 crore in 2016-17 to ₹ 134 crore in 2017-18.

- Diluted EPS for the standalone entity increased from ₹ 9.85 in 2016-17 to ₹ 10.10 in 2017-18.

The rest of this MDA chapter details the opportunities as well as the Company's strategy and performance in 2017-18. It also provides an overview of initiatives in CSR, Sustainability and key functional areas such as Human Resources and Information Technology. The chapter ends with a discussion on risks and concerns, and Mahindra Holiday's outlook for the future.

Opportunities

India's economic growth decelerated marginally in 2017-18. ***According to the second advance estimates released by the Central Statistics Office (CSO), India's GDP growth is estimated to be 6.8 per cent in 2017-18, versus 7.1 per cent in the previous year.*** Although there were mixed trends with respect to the performance in categories such as housing, auto, white goods and other consumer durables during the year, the overall consumer sentiment for discretionary spend categories continued to be subdued.

The situation improved somewhat as the year progressed — with the waning of the transitory impact of demonetisation and the Goods and Services Tax (GST). The quarterly GDP growth (YoY) numbers have shown an improvement in the last few quarters. ***The Reserve Bank of India (RBI), in its monetary policy statement released in April 2018, notes the improved outlook for both demand and investment, and expects GDP growth to strengthen to 7.4 per cent in 2018-19.*** This, if coupled with a stable inflation and no further hikes in interest rates, should augur well for improvement in consumer confidence and discretionary spend in 2018-19. If that were to occur, the travel and tourism industry, too, is likely to benefit from this trend.

The Indian travel and tourism industry is estimated to grow at 7.5 per cent annually to USD 250 billion by 2025. Around 83 per cent of the spend is in domestic tourism.

As far as the vacation ownership industry in India is concerned, the market penetration is still very low. If one compares the Indian vacation ownership industry with the US in terms of its share in the hospitality sector, the scope for growth in India is at least five times that of its current size. Similar conclusions can be drawn if one considers other surrogates such as ownership and sales of cars. Besides, India has favourable demographics and consumption pattern in terms of growing automobile sales and trend of higher spends on discretionary categories such as eating out, entertainment and holidays.

Strategy

Mahindra Holidays has performed creditably in the last few years despite a challenging environment. It believes that there is a significant potential for further growth of the business, more so with improved economic growth prospects. Considering the competitive landscape and emerging trends in media consumption habits, the Company has been focusing on two strategic priorities.

Experience Ecosystem

While providing immersive holiday experiences will always be at the core of the 'Club Mahindra' offering, the strategy is to differentiate itself as a provider of a complete experience ecosystem. The central idea is to take the Company's engagement with its members beyond the 7-day holiday period to foster a sense of belonging and create member privileges to enhance the 'Club' value proposition. Initiatives during the year included:

- **'Dreamscapes':** A wide variety of in-city experiences especially curated for members with preferential rates and end-to-end support for booking and payments. Launched in 2016-17, this was expanded significantly during the year and is currently available in over 30 cities, aggregating to over 2,000 experiences.
- **Curated vacations:** Festivals and theme-based vacation experiences (e.g. Rann Utsav in Gujarat and Pushkar Fair in Rajasthan) for members at very attractive prices. Mahindra Holidays offered several such vacation options to its members in 2017-18.
- **Exchange programme:** This was introduced in 2017-18 to expand the set of destinations available to its members. Under this programme, members can exchange their Club Mahindra room nights for stays in top-rated hotel chains.
- **Cruise Experience:** This programme provides preferential pricing and room night exchange for cruise experiences.
- **Heart-to-Heart events:** These are in-city member meets organised by the Company which include leisure and edutainment activities for member families. During the year, the coverage of these events was expanded to Tier 2 cities. Over 10,000 members and their families participated in these events in 2017-18.

'Digital-Mobile-Social' Philosophy

The second strategic priority for the Company is to reinvent its sales and marketing strategy as well as engagement and reach-out activities around digital formats and platforms since a bulk of media consumption is happening on mobile devices and social media. Some of the key initiatives and achievements were:

- **Video content:** Content strategy was revisited with digital media in mind — short capsules, contextual and different versions optimised for various channels. Over 150 videos were shot showcasing resorts and destinations, holiday activities, F&B, events and celebrations, marketing campaigns and member testimonials.

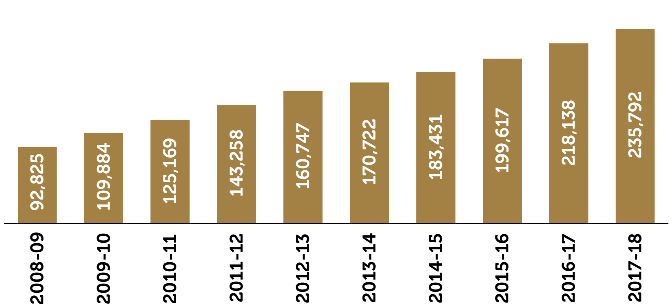
- **Increase social media presence:** Social media today is perhaps the most important channel to communicate the brand proposition and values. The video content strategy fits seamlessly, enhancing the Company's social media presence across platforms — resulting in favourable impact in terms of engagement and creating a buzz around the brand. Overall online sentiment also improved significantly during the year.
- **Brand campaign:** Several brand campaigns were carried out to augment the brand messaging and increase interest among target groups. Some of the most successful campaigns carried out during the year included 'Leave Office One Hour Early' on World Family Day, 'If you don't go, you won't know' on World Tourism Day, 'Big Shot' photography contest and *'Only at Club Mahindra'*.
- **Resort marketing campaign:** Special itineraries with curated activities and events in a cluster of resorts e.g. 'Rajasthan Heritage Trails', 'Monsoons in Kerala', 'Wild Surprise' for jungle resorts and 'Snow Clad Holidays' for hill stations. Digital content has increased ability to carry out highly customised and targeted pitching.

The Company continued to do advertising and brand-building campaigns in print and television which amplified the key message. Digital marketing efforts outlined above will further enhance the 'pull' of brand Club Mahindra going forward. ***Mahindra Holidays won 'The Times Network – Institute for Competitiveness Strategy Awards' in 2017 for creating a unique positioning in the Tourism & Hospitality industry.***

Business Performance

'Club Mahindra' is the Company's flagship product in the vacation ownership business, which entitles its members a week's holiday every year for a period of 25 years. ***During 2017-18, the Company added 18,225 members. After accounting for retiring members, the total membership grew to 235,792 as on March 31, 2018 —representing a compounded annual average growth rate of 8.1 percent in cumulative membership over the last five years.*** Chart A provides detailed data.

Chart A: Cumulative Vacation Ownership Membership



Note: Membership includes all vacation ownership products of the Company.

This performance is a result of concerted efforts on several fronts. First, there has been an increase in quality of leads, coupled with better lead management and conversion. In addition to the continued success of Company's pull-based digital and referral leads, which accounted for 48 per cent of sales in 2017-18, its efforts at tapping high-quality leads though alliances and corporate partnerships have started bearing results. This was also aided by the deployment of marketing automation platform and the 'M-Power' App for sales executives, which is discussed further in the section on IT.

Second, the Company was successful in expanding its geographic reach in high-potential Tier 2 and Tier 3 cities. Moreover, resort locations continued to contribute meaningfully to overall sales. At the end of 2017-18, Mahindra Holidays was present in 124 locations through a network of branch offices, sales offices and channel partners in addition to 55 resorts.

Third, international performance remained strong, with further strengthening of the Company's presence in important markets. Currently, Club Mahindra has its international footprint in Sri Lanka, Middle East and Africa. Going forward, focus will be to expand it to other countries with a sizeable Indian population.

The Company markets a corporate product called ***'Club Mahindra Fundays'***, which allows enrolled organisations to offer holiday entitlements to its employees either as a part of their reward and recognition program or as an employment perquisite. During the year, this product performed satisfactorily, with an increase in the number of room nights utilised.

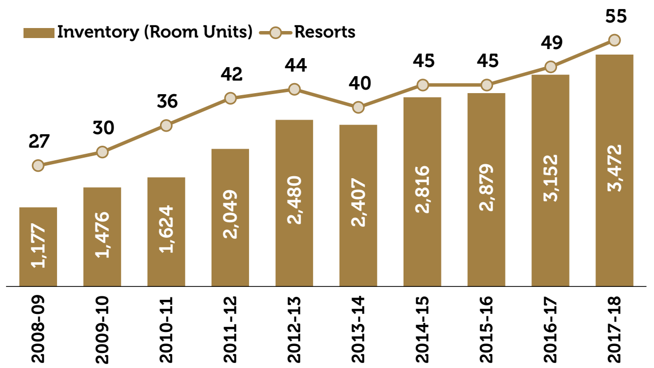
Towards the end of 2016-17, the Company had launched ***'Bliss'*** — a vacation ownership product targeted at the 50-year plus age group — which offers one week's holiday every year over ten years. It is a point-based product that is designed to offer greater flexibility in terms of choice of season, room configuration and duration of the holiday. The product has gained good acceptance among the target segment in 2017-18.

Properties and New Projects

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

During the year, Mahindra Holidays added 320 room units to its inventory — taking the total inventory to 3,472 units across 55 resorts by the end of 2017-18. This includes 115-units greenfield project in Naldehra (Himachal Pradesh), which became operational during the year. Other additions by way of long-term leases and inventory arrangements were: 44 units in Dwarka (Gujarat), 78 units in Mahabaleshwar (Maharashtra), 30 units in Kochi (Kerala), 20 units in Srinagar (J&K) and additional 15 units in Nadiad (Gujarat). International presence was also expanded with inventory arrangements in Singapore and Dubai. Chart B provides information on growth of number of resorts and room inventory in the last 10 years.

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



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

Increasing room inventory in line with membership additions continues to be a key focus area. ***The Company is currently undertaking three projects: greenfield project at Assanora (Goa), expansion project at Ashtamudi (Kerala), which are at advanced stages of development and the project at Kandaghat (Himachal Pradesh) is in the process of obtaining necessary regulatory approvals.*** These three projects would eventually add around 500 units to the Company's room inventory in phases and of these, the projects in Assanora and Ashtamudi are expected to add close to 340 units in the next couple of years.

Mahindra Holidays is also pursuing attractive opportunities for acquisition and leases in various parts of the country. It has land bank at ten destinations across six states. Efforts are on to expand this further. Some of the existing resorts also have additional land that can be utilised for further expansion. This will provide the flexibility to build at such destinations and add room inventory on an ongoing basis.

Resort Operations

Efficient resort operations and thoughtful, well-designed resort amenities and services are central to delivering immersive holiday experiences to the members. This encompasses three key areas: infrastructure and facilities, holiday activities, and food and beverage (F&B). During 2017-18, focus continued to be on delivering unique family experiences through improvements and innovation in these three fronts.

The Company started operations in its 115-room Naldehra resort along with complete range of services and amenities. It also made significant investments in upgrading rooms and renovation of public areas and amenities across several existing resorts.

One of the biggest achievements in 2017-18 was the successful institutionalisation of the 'Host' and 'Champs' programme, which have been instrumental in enhancing member engagement at resorts and delivering quality holiday experiences.

- In the 'Host' programme introduced in 2016-17, the Host serves as a friend and a single-point contact of the member for the entire duration of the holiday. These specially trained employees lead customer interactions, highlighting resort and destination-specific experiences as well as planning and hosting such activities for the guests.
- In the 'Champs' programme, the Company provides a platform for employees to showcase their creative talent and skills by creating a bouquet of entertainment activities for members.

Holiday activities are central to delivering a complete holiday experience. At Mahindra Holidays, these activities are built around a strategy of 'do-learn-connect'. They include: outdoor, action-oriented activities; learning new forms of arts, skills or picking up hobby project; and connecting with other holidaying families through group activities and events. It has institutionalised 'Thrill Zones' for outdoor and adventure, 'Happy Hub' for learning and edutainment, 'Toddler's Space' for day care, and destination specific theme-based events such as Carnival Night and Zombie Night.

Mahindra Holidays has the unique distinction of having 29 RCI Gold Crown and 3 Silver Crown resorts in India, which bears testimony to the high standards of resort facilities, amenities and services that its resorts offer.

In F&B, efforts are continuously undertaken to make the dining experience more exciting and fulfilling. During the year, the Company launched 'All Inclusive' — a bundled value-for-money offering with a choice of different dining option such as à la carte, gourmet express, buffet and specialty cuisine. Besides, it continued to expand its F&B offerings in terms of new speciality restaurants/cuisine as well as their coverage across the resort network.

Mahindra Holidays was awarded the 'Health Brand of the Year – Food Category' at the Indian Health and Wellness Summit and Awards 2017. During the year, two resorts in Goa were certified under ISO 22000, which is an international accreditation recognising enhanced food hygiene and safety. Besides, 14 of the Company's resorts already have the NABCB Branch Hygiene Code (BHC) certification, which is awarded upon meeting prescribed standards of hygiene in all activities related to F&B.

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

Member Relations (MR)

During 2017-18, Mahindra Holidays continued its journey towards excellence in member services. The focus was on being more responsive to member needs as well as delivering faster solutions through continuous process improvements aided by appropriate technological interventions.

The Company had launched a full-feature mobile app for members in the previous year. ***Adoption of the app increased significantly in 2017-18 with 3 lakh downloads and use by over 1.1 lakh members. The mobile app won the 'Digital Transformation Award 2017' by IDC under the 'Digital Operation Disruption' category.*** The member website and the mobile app were also upgraded to add new features as well as to simplify the reservation and service related transactions. This allowed it to maintain the momentum of high online bookings — which were at 84 per cent throughout 2017-18. Special efforts are made to proactively reach out and assist new members in booking their first holiday. ***Despite an increase in inventory, the Company maintained an occupancy rate of 85.1 per cent in 2017-18.***

The Company has an institutionalised feedback generation mechanism to gauge member experience and continuously improve its processes. During 2017-18, the number of feedbacks captured increased by 58 per cent. There has been a steady increase in the loyalty scores based on feedback received through both the Company's internal feedback generation mechanisms as well as external surveys. ***Transactional customer-as-promoter score (CAPS) increased to 64 per cent at the end of 2017-18, compared to 60 per cent in the previous year. In a related development, the Company started using Customer Effort Scores (CES) — a globally accepted metric that captures the ease of transacting — to track its progress in the area. CES was at an encouraging 40 per cent in 2017-18.*** The objective is to improve it further in 2018-19.

Human Resources (HR)

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

Mahindra Holidays has always focused on building capabilities and skills through targeted learning and development (L&D) interventions. During the year, equal emphasis was given on developing talent from within to meet future requirements. ***Overall, each employee received an average of 11.2 man days of training in 2017-18. In addition, over 100 first time managers were promoted from within the Company.***

In customer acquisition, Mahindra Holidays introduced nineteen 2-3 hour training modules to provide knowledge in small bytes that are easy to understand. Over 600 sales executives were covered through these focused interventions over and above the regular sales related trainings. For frontline sales executives, it launched a WhatsApp-based mobile learning module called 'i-Win' through which bite-sized learning materials on policy and product updates are shared. Over 90 per cent of the sales force is active on i-Win. In addition, over 200 sales managers from across the country completed a Manager's Development Program. ***In recognition of these efforts in sales training, the Company won the "TISS LeapVault CLO Gold Award" in 2017-18.***

In resort operations, the Company has training and certification programs for all key functions: F&B, food preparation, front office and housekeeping. Over 1,200 employees were certified under these programmes in 2017-18. Considerable progress was also made on the skilling for the 'Host' programme. During the year, Mahindra Holidays also launched 'i-Grow' — a one-year fast track skill building programme for grooming supervisory talent. During 2017-18, the Company further strengthened its flagship Club Mahindra Executive Training (CMET) Program. This is an intensive 18 months program to build the internal talent pipeline for senior managerial positions at resorts.

On the corporate and organisational development front, the Company regularly nominates executives to participate in development programs and workshops to enhance their skills. During the year, 200 senior managers were trained under the Harvard Mentor Program and close to 90 managers participated in the 'Mahindra Reflective Conversations' workshop.

In recognition of its efforts, Mahindra Holidays was awarded "HR Excellence Award 2017-18", with a special recognition for L&D by Confederation of Indian Industry (CII). As a customer centric organisation, maintaining high employee engagement levels has been a top priority. During the year, both MCARES — an internal benchmarking exercise within the Mahindra Group — and employee-as-promoter scores for the Company recorded their highest-ever levels.

The Company featured among the top 100 'Best Companies to work for in India' by Great Place to Work Organization. It also ranked among top 50 companies in India in terms of 'People Capital Index' (PCI) that tracks employee perception of how well companies develop their 'people capital'. PCI has been instituted by Jombay and British Standards Institution.

As on March 31, 2018, there were 5,246 people on the rolls of the Company. Industrial and employee relations remained cordial throughout the year.

Business Excellence

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

Promoting a culture of continuous improvements by institutionalising Kaizens as a way of life has been at the centre of the Company's efforts towards business excellence. ***The number of Kaizen projects have increased significantly — from 6,400 in 2015-16 and 12,000 in 2016-17 to over 18,000 in 2017-18 — with all departments making sizeable contributions during the year.*** The impact of these projects has also been amplified by the online portal which acts as a repository and a tool for Company wide deployment, resulting in significant efficiency gains and cost savings for the Company.

In the previous year, Mahindra Holidays had initiated implementation of the CAPA (Corrective Actions & Preventive Actions) methodology to identify problems in various processes by monitoring daily work to arrive at sustainable solutions. Considerable progress was made on this front during 2017-18 with over 1,200 documented corrections, which resulted in significant reduction in number of customer complaints across functions.

Information Technology (IT)

Mahindra Holidays believes that technology plays an active role in providing a competitive edge in the market and contributes directly to meeting business goals. The Company has invested significant resources in its IT architecture and is benefiting from it in all key spheres of its operations — be it customer acquisition, resort operations, member relations or internal controls.

Creating and maintaining online assets that showcase the Company's products and enable effective member servicing is an important deliverable for IT. During the year, it implemented services under its experience ecosystem such as 'Dreamscapes', curated vacations and exchange programme within the member website — allowing members to seamlessly avail these services.

In an important development, the Company implemented a SAP-based platform for marketing automation, which acts as the single channel for communicating with customers and prospects. This paved the way for the launch of 'M-Power' — a mobile application for sales executives. This app serves as a full-time assistant and automation tool by covering the entire sales process: lead management, appointments and reminders, current offers, meeting feedback logging, follow-up and updating lead status.

Another achievement during 2017-18 was the successful rollout of Goods and Services Tax (GST) across the Company. This was significant given the number of locations that it operates in and the interlinkages among the different solutions such as the core SAP-based architecture, Property Management System at resorts and multiple member interfaces including the website and mobile app.

Business analytics continue to be a focus area of the Company. During 2017-18, it piloted Artificial Intelligence (AI) based tools for digital lead generation and spend optimisation. Building on last year's groundwork, performance dashboards with data sanctity, visualisation tools and user controls were rolled-out across various functions such as Member Relations, Resort Operations, HR and Finance. The Company upgraded its feedback management system with the implementation of fully automated solutions — increasing both coverage and quality of feedback.

Corporate Social Responsibility (CSR)

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

As defined in the Company's CSR Policy, it continues to focus its CSR efforts towards girl child education, empowering women, health, environment, community welfare and skill development. ***Mahindra Holidays won the ET NOW Rise with India – CSR Leadership Award for 'Regulation of Corporate and Environmental Behaviour 2017 – 2018'. It also received 'Good Corporate Citizen' Award from the Bombay Chambers of Commerce & Industry in the Social Development category.***

Apart from working with NGOs, foundations and trusts, and contributing resources for socially relevant projects, the Company also encourages community service by its employees by involving them through its 'Employee Social Options Program'. ***During the year, 4,946 employees volunteered 17,386 man hours on CSR initiatives. Overall, the Company carried out around 372 different initiatives, which directly benefited over 36,600 people during the year.***

Some of the key CSR initiatives undertaken by the Company during 2017-18 are mentioned below:

- ***Education, Skill Development and Livelihood:*** The Company sponsored the education of 4,670 girls through the 'Nanhi Kali' project. Projects involving provisioning and upgrading of infrastructure and amenities at government schools were carried out across multiple locations. To commemorate the opening of its 50th resort at Naldehra and generate livelihood opportunities, the Company distributed 21 hand tractors and 50 sewing machines to farmers and women of three village *panchayats* surrounding its resort in Himachal Pradesh.
- ***Environment:*** 34,150 trees were planted across 35 resort locations during the year as a part of *'Mahindra Hariyali'* — an initiative of Mahindra Group for tree

plantation — taking the total trees planted to 306,190 since the beginning of the project in 2010-11. Initiatives under the aegis of *'Swachh Bharat Abhiyaan'* included distribution of dustbins to the Municipal Corporation at Manali and installation of dustbins on the Kollam beach at Ashtamudi. In another initiative, solar lanterns were installed in the electricity deprived backward and tribal areas of Pali district in Rajasthan.

- ***Health and Community Welfare:*** The Company regularly carries out blood donation and medical check-up camps as well as awareness sessions on health. It also supports NGOs working for the benefit of people afflicted with critical illnesses. In the area of community welfare, Mahindra Holidays supported animal husbandry, cottage industries such as weaving, tailoring and pottery in Kumbalgarh, Kanha, Tungi and Puducherry. The Company also supports old age homes, orphanages and homes for differently-abled. The Company also provided microfinancing support for a sanitary napkin making enterprise that engages women from surrounding areas.

Sustainability

Sustainable development aims at achieving economic growth and improvement in well-being while preserving the natural resources and ecosystem for future generations. The Company recognises the importance of sustainability and is committed to conserve the ecological integrity of its locations through responsible business practices. ***Mahindra Holidays is the first global hospitality company to participate in EP100 — a commitment to double its energy productivity by 2030.***

Mahindra Holidays' initiatives in this area are carried out in line with these long term objectives. The key areas that have been identified for implementing sustainable practices include: energy saving, water conservation and waste recycling. Some of the key initiatives and achievements were:

- **Energy saving:** Focus during the year was on installation of solar power for hot water generators. These were implemented in three resorts resulting in generation of 3.62 lakh units (KWh) in 2017-18. Work is in progress in five resorts, which should increase solar generation to over 5 million units (KWh) in 2018-19. Efforts towards provisioning of newer technologies and energy efficient installations are continuing.
- **Water Conservation:** Important initiatives include recycling of water from sewage treatment plants, rain water harvesting, installation of water saving taps/ fixtures in rooms as well as public areas. By the end of the year, 51 per cent of total water consumed by the resorts was recycled. Utilisation of rain water through rain water harvesting also increased considerably in 2017-18.
- **Waste recycling:** Installation of organic waste converters, vermicompost systems and biogas plants are central to its efforts in this area. By the end of the year, 46 per cent of the wet waste produced by the Company was recycled.

The Company actively participates in the Mahindra Group's initiative for Corporate Sustainability Reporting. The 'Sustainability Report' of the Group is prepared in accordance with the internationally accepted framework specified by the Global Reporting Initiative (GRI). This framework sets out the principles and indicators that should be used to measure and report economic, environmental, and social performance. ***During 2017-18, 22 resorts participated in sustainability reporting of the Group. In recognition of its efforts in sustainability, Mahindra Holidays received the prestigious 'Golden Peacock Award for Sustainability 2017'.***

Financials

Table 1 presents the abridged profit and loss statement of the Company as a standalone and consolidated entity.

Table 1: Financial Information – Standalone & Consolidated

(₹ in crore)

	Standalone		Consolidated	
	2017-18	**2016-17**	**2017-18**	**2016-17**
Operating Income	1,064	1,073	2,317	2,266
Other Income	30	17	34	16
Total Income	**1,094**	**1,090**	**2,351**	**2,282**
Operating & Other Expenses	832	828	1,971	1,945
Finance Cost	-	-	22	19
Depreciation	55	61	100	106
Total Expenditure	**887**	**889**	**2,093**	**2,070**
Profit Before Translation Difference & Tax	**207**	**201**	**258**	**212**
Translation Difference on Foreign Currency Borrowings	-	-	(41)	12
Profit Before Tax	207	201	217	224
Profit After Tax and NCI	**134**	**131**	**132**	**149**
Total Comprehensive Income after NCI	**134**	**131**	**193**	**117**
Diluted EPS (₹)	10.10	9.85	9.95	11.20
Fixed Assets	968	956	1,571	1,444
Cash & Marketable Securities	470	265	517	311
Long-term debt	-	-	810	774

Standalone Financial Results

- Total income, which includes both operating and other income, remained stable at ₹ 1,094 crore in 2017-18, compared to ₹ 1,090 crore in 2016-17.
- Income from sale of vacation ownership products, which is the largest component of the Company's operating income, came down by 6.6 per cent from ₹ 583 crore in 2016-17 to ₹ 545 crore in 2017-18. There was a substantial increase in other components of operating income, notably Resort Income — which includes revenues from F&B, resort activities and rooms — driven by wide-ranging efforts in the area of resort operations and marketing. Resort Income grew by 9.9 per cent from ₹ 190 crore in 2016-17 to ₹ 209 crore in 2017-18
- Total expenditure came down marginally from ₹ 889 crore in 2016-17 to ₹ 887 crore in 2017-18. The reduction in costs is in area of sales and marketing expenses and depreciation. With no long-term debt on its books as a standalone entity, financial expenses remained negligible.
- Profit before Taxes (PBT) grew at 3.1 per cent from ₹ 201 crore in 2016-17 to ₹ 207 crore in 2017-18, mainly due to higher resort and interest incomes coupled with cost optimisation and control outlined above.
- Profit after Taxes (PAT) grew by 2.8 per cent from ₹ 131 crore in 2016-17 to ₹ 134 crore in 2017-18. Accordingly, diluted EPS increased from ₹ 9.85 in 2016-17 to ₹ 10.10 in 2017-18.
- The cash balances improved significantly from ₹ 265 crore at the end of 2016-17 to ₹ 470 crore at the end of 2017-18. This is on account of focus on getting quality members with higher down payment and lower tenure EMIs as well as better management of receivables. As a result, the liquidity situation of the Company remained comfortable.
- The Company has no long-term debt as a standalone entity as on March 31, 2018.

Consolidated Financial Position

Holiday Club Resorts (HCR), Finland, a material unlisted subsidiary of the Company, is the largest operator of leisure hotels in Finland and the largest vacation ownership company in Europe. As of March 31, 2018, HCR has 33 resorts of which 25 are in Finland, 2 in Sweden and 6 in Spain.

During the year under review, revenue of HCR stood at € 158.9 million, compared to € 155.0 million in 2016-17 and profit stood at € 4.7 million, compared to loss of € 1 million in 2016-17. The improvement in performance of HCR is mainly due to increased turnover and profitability in the Spa hotel and time share business in Finland. This has been supported by economic growth in Finland, renovations in the resorts and international demand especially in northern Finland. Investments in the Spa product have increased the turnover and profitability of the Spa hotel operation in Sweden significantly. HCR has re-organized its business operations in Spain and is currently focusing on time share rentals for future growth.

For the purpose of consolidation of financial results of the Company, 36 Subsidiaries, one Joint Venture and two Associates as on March 31, 2018 were considered:

- The Company's total income (including other income), grew by 2.9 per cent from ₹ 2,282 crore in 2016-17 to ₹ 2,351 crore in 2017-18.
- With improved performance of both operating companies — Mahindra Holidays and HCR — profit before taxes and impact of translation differences increased by 21.7 per cent from ₹ 212 crore in 2016-17 to ₹ 258 crore in 2017-18.
- The Company had taken borrowings in Euro for the acquisition of its Finnish subsidiary Holiday Club Resorts (HCR). The borrowings as well as the Company's investments in HCR are denominated in the Euro. With the appreciation of Euro during the year, the impact of translation difference on account of foreign currency external borrowings on the P&L amounts to a loss of ₹ 41 crore in 2017-18 as compared to a gain of ₹ 12 crore in 2016-17.
- Taking this into account, the total comprehensive income after NCI increased by 65 per cent from ₹ 117 crore in 2016-17 to ₹ 193 crore in 2017-18.
- Diluted EPS declined from ₹ 11.2 in 2016-17 to ₹ 9.95 in 2017-18.
- On consolidated basis, total debt was at ₹ 810 crore as on March 31, 2018, as compared to ₹ 774 crore at the end of the previous financial year.

Internal Controls

The Company has an adequate internal control system, commensurate with the size and nature of its business. The system is supported by documented policies, guidelines and procedures to monitor business and operational performance which are aimed at ensuring business integrity and promoting operational efficiency. As is the consistent practice, Mahindra Holidays engaged a reputed firm specialising in implementation of internal controls to test the design and operating effectiveness of existing controls (both manual and system-based) and to remediate issues arising out of the testing.

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

The Company's ERP system has appropriate controls embedded in its processes and systems to reduce the need and reliance for compensating manual controls. These have also been strengthened from time to time.

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

Threats, Risks and Concerns

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

Macroeconomic Risks

Although the macroeconomic outlook has improved, cyclical downturns may continue to resurface in the future. Besides, there still are downside risks in the form of poor monsoons and strengthening of oil prices. These can impact the Company's ability to generate sales and affect its growth prospects.

Mahindra Holidays recognises these risks and has measures in place to mitigate their impact. This includes focusing on customer acquisition through referrals, alliances and targeted digital marketing. The Company is also increasing its international presence both in terms of its marketing network and through HCR. Other initiatives include diversification of the product portfolio with the introduction of the smaller tenure product *'Bliss'*.

Operational Risks

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

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

Financial Risks

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

Currently, Mahindra Holidays has no debt on a standalone basis, and has a strong and stable capital structure to raise money for further expansion, if needed. The Company undertakes comprehensive assessment of the profile of its customers and carefully monitors its exposure to credit risk. Further, several improvements in control and monitoring mechanisms have been implemented to reduce credit risks and aid the management in this process.

While there is no currency risk at the standalone entity basis, in respect of the debts in the books of the subsidiary companies there are underlying assets in the same currency. Hence, the Company does not foresee any significant risk in this regard.

Regulatory and Legal Risks

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

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

Outlook

The macroeconomic outlook for 2018-19 has improved considerably for the global as well as the Indian economy. Unless core inflation rises prompting the RBI to increase its repo rates, the Company sees an environment of steady economic growth in 2018-19. The overall business and consumer sentiment, therefore, is likely to be positive over the next 12-15 months. If so, it augurs well for the travel and tourism sector.

Mahindra Holidays registered a creditable performance in 2017-18. Both its flagship 25-year product 'Club Mahindra' and the relatively new product 'Bliss' have done well. The Company's inventory addition has kept pace with the membership, something which is expected to continue in the future. Member satisfaction was at an all-time high. Equally important, it has taken significant strides towards building a complete experience ecosystem as well as strengthening its brand proposition with a content and delivery strategy in tune with the changing times.

Mahindra Holidays believes that there is considerable room for growth of vacation ownership in India. It is a leading player in the leisure hospitality industry, and the differentiation that it has achieved has improved its competitive position in the market. In addition, it has a strong Balance Sheet with resources at its disposal to drive growth. This should hold the Company in good stead and allow it to benefit from emerging opportunities.

Cautionary Statement

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

Corporate Governance Report

Corporate Governance Philosophy

Mahindra Holidays & Resorts India Limited ("Mahindra Holidays" or "the Company") upholds highest standards of integrity, transparency, professionalism, business ethics and accountability. The Company's philosophy on corporate governance aims to strive a balance between safeguarding and promoting interests of the stakeholders and maintaining a steadfast commitment to ethics and code of conduct.

Mahindra Holidays strongly believes that corporate governance is an integral means for the existence of the Company. Corporate governance is a process by which the values, principles, management policies and procedures of the Company are inculcated and manifested. The Company ensures adherence to the moral and ethical values, legal and regulatory framework and adoption of good practices beyond the realms of law.

Mahindra Holidays continues to strengthen its governance principles to generate long term value for its stakeholders on sustainable basis thus ensuring ethical and responsible leadership both at the Board and at the Management level.

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

Board of Directors

Board Diversity and Composition of the Board

The Company has in place the Board Diversity Policy which sets out the approach of the diversity of the Board of Directors. In line with the same, the Company continues to have a balanced and diverse Board of Directors ("the Board"), which primarily takes care of the business needs and stakeholders' interest. The Board Diversity Policy is available on Company's website at: http://www.clubmahindra.com/sites/default/files/board_diversity.pdf.

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

As on March 31, 2018, the Board comprised of 9 (nine) Directors. Mr. Arun Nanda is the Non-Executive Chairman of the Company. Mr. Kavinder Singh is the Managing Director & Chief Executive Officer ("CEO") of the Company. Mr. V S Parthasarathy and Mr. Vineet Nayyar are the Non-Executive Non Independent Directors of the Company. Mr. Cyrus Guzder, Mr. Rohit Khattar, Mr. Sridar Iyengar, Mr. Sanjeev Aga and Ms. Radhika Shastry are the Independent Directors on the Board of the Company.

During the period under review, Mr. S Krishnan ceased to be an Executive Director of the Company upon completion of his tenure on January 21, 2018. Further, Mr. Krishnan had expressed his unavailability to continue as a Director and consequently, he also ceased to be a Director of the Company with effect from January 22, 2018.

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

Mr. V S Parthasarathy, Non-Executive Director of the Company is a Key Managerial Personnel (KMP) of the Holding Company, and draws remuneration from it. Mr. Vineet Nayyar, Non-Executive Director of the Company, is the Non-Executive Vice-Chairman of Tech Mahindra Limited, an Associate Company of the Holding Company.

Apart from the above, and apart from the reimbursement of expenses incurred in discharge of their duties and the remuneration that the Non-Executive Directors and the Managing Director & CEO would be entitled to under the Act, none of the Directors have any other pecuniary relationship with the Company, its Holding Company, subsidiaries or associate companies or their Promoters, Directors, which in their judgement would affect their independence. The Senior Management of the Company has made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the Company which could have any potential conflict of interest with the Company at large.

Board Meetings and Attendance

The Board met 6 (six) times during the Financial Year 2017-18, on: May 19, 2017, August 2, 2017, November 1, 2017, December 13 & 14, 2017, January 31, 2018, and March 27, 2018. The gap between two Meetings did not exceeded 120 (one hundred and twenty) days. The Twenty First Annual General Meeting (AGM) of the Company was held on August 2, 2017. The Chairman of the Audit Committee, the Chairman of the Nomination and Remuneration Committee and the Chairman of the Stakeholders Relationship Committee were present at the AGM.

The composition of the Board along with the details of the Board meetings and last AGM held and attended during the period April 1, 2017 to March 31, 2018 is as under:

Name of the Director	DIN	Category	Number of Board Meetings		Attendance at the last AGM (August 2, 2017)
			Held	Attended	
Mr. Arun Nanda	00010029	Non-Executive Chairman	6	6	Y
Mr. Vineet Nayyar	00018243	Non-Executive Non Independent Director	6	5	Y
Mr. Cyrus Guzder	00080358	Independent Director	6	5	Y
Mr. Rohit Khattar	00244040	Independent Director	6	3	Y
Mr. Sridar Iyengar	00278512	Independent Director	6	6	Y
Mr. Sanjeev Aga	00022065	Independent Director	6	5	Y
Mr. V S Parthasarathy	00125299	Non-Executive Non Independent Director	6	4	Y
Ms. Radhika Shastry	01787918	Independent Director	6	6	Y
Mr. Kavinder Singh	06994031	Managing Director & CEO	6	6	Y
Mr. S. Krishnan*	00212875	CFO & Executive Director	4	4	Y

* re-designated from "CFO & Executive Director" to "Executive Director" of the Company with effect from May 20, 2017 and ceased to be an Executive Director of the Company w.e.f January 21, 2018.

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

The number of Directorships and Committee positions held by them in companies at the end of the year under review, are given below. None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the companies in which they are Directors. Further, none of the Directors on the Board is an Independent Director in more than seven listed companies. In addition, none of the Whole Time Director of the Company and a Director who is a whole-time director in other listed company, are not Independent Directors in more than three listed companies. None of the Directors of the Company are inter se related to each other.

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

Name of the Director	As on March 31, 2018*			
	Indian Listed Companies#	Total Directorship(s)#	Committee Membership(s)^	Committee Chairmanship(s)^
Mr. Arun Nanda	3	6	2	2
Mr. Vineet Nayyar	3	5	1	Nil
Mr. Cyrus Guzder	2	2	3	2
Mr. Rohit Khattar	1	3	1	Nil
Mr. Sridar Iyengar	3	5	4	3
Mr. Sanjeev Aga	6	7	5	2
Mr. V S Parthasarathy	3	7	7	1
Ms. Radhika Shastry	1	1	Nil	Nil
Mr. Kavinder Singh	1	1	1	Nil

* Excludes private limited companies, foreign companies and companies registered under Section 8 of the Act (erstwhile Section 25 of the Companies Act, 1956).
^ Committees considered are Audit Committee and Stakeholders Relationship Committee, including that of Mahindra Holidays.
# Excludes Alternate Directorships but includes Additional Directorships and Directorship in Mahindra Holidays.

Shares and Convertible Instruments, if any, held by the Directors

Details of ownership of any shares in the Company by the Directors either on their own or for any other person on a beneficial basis and stock options granted to Directors are given below:

Name of the Director	Shares held as on March 31, 2018	No. of Options granted	Date of Grant	Exercise Price (₹)	No. of Options Augmented upon issue of Bonus Shares	Revised Exercise Price upon issue of Bonus Shares (₹)	Vesting Period (Note No. 1)
Mr. Arun Nanda (Note No. 2)	12,66,945	2,00,000	18.02.2016	370.00	75,000	246.67	Four equal installments in February 2017, 2018, 2019 and 2020
Mr. Vineet Nayyar	40,050	-	-	-	-	-	-
Mr. Cyrus Guzder	40,050	-	-	-	-	-	-
Mr. Rohit Khattar	40,050	-	-	-	-	-	-
Mr. Sridar Iyengar (Note No. 3)	10,313	27,500	21.02.2012	323.00	13,750	215.33	Four equal installments in February 2013, 2014, 2015 and 2016
Mr. Sanjeev Aga	-	-	-	-	-	-	-
Ms. Radhika Shastry	-	-	-	-	-	-	-
Mr. V S Parthasarathy	-	-	-	-	-	-	-
Mr. Kavinder Singh (Note No. 4)	-	4,00,000	22.01.2015	264.00	2,00,000	176.00	Four equal installments in January 2016, 2017, 2018 and 2019
Mr. S Krishnan (Note No. 5)	40,000	2,00,000	22.01.2015	264.00	1,00,000	176.00	

Notes:

1) Exercise Period: On the date of vesting or within five years from the date of vesting.

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

(b) Out of 2,00,000 Options granted to Mr. Arun Nanda, 50,000 Options have been vested and exercised by him in May, 2017. Further, 75,000 Options have been augmented on the issue of Bonus Shares by the Company taking the total outstanding Options to 2,25,000 Options, out of which, 75,000 Options have also been vested and exercised by Mr. Arun Nanda in March, 2018.

3) Out of the total Options available and vested to Mr. Sridar Iyengar (i.e. 41,250 Options post adjustment for Bonus Issue), 10,313 Options have been exercised by him during the year under review.

4) The total Options available to Mr. Kavinder Singh is 6,00,000 Options (post adjustment for Bonus Issue).

5) Ceased to be an Executive Director of the Company w.e.f January 21, 2018. Out of the total Options granted to Mr. S Krishnan (i.e. 3,00,000 Options post adjustment for Bonus Issue), 2,25,000 Options have been vested and 75,000 Options have been lapsed on account of his cessation as an Executive Director of the Company. Further, 1,15,000 Options have been exercised by him during the year under review.

Board Procedure

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

The Board also, inter-alia periodically reviews the strategy and business plans, annual operating and capital expenditure budgets, investment and exposure limits, compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, if any, minutes of the Board Meetings of your Company's subsidiary companies, significant transactions and arrangements entered into by the unlisted subsidiary companies, approval of quarterly / half yearly / annual Financial Results, significant labour issues, if any, transactions pertaining to purchase / disposal of property, if any, major accounting provisions and write-offs, corporate restructuring, if any, quarterly details of foreign exchange exposures, Minutes of meetings of the Audit Committee and other Committees of the Board, information on recruitment of senior officers just below the Board level including appointment or removal of chief financial officer and company secretary, CSR spends, plan and its review, borrowings, investments and issue of securities.

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

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

Meetings of Independent Directors

The Company's Independent Directors meet at least once every year without the presence of Executive Director or management personnel. Such meetings are conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views. Further, the Independent Directors also review the performance of the Non-Independent Directors, Chairman (after taking into account the views of the Executive and Non-Executive Directors) and the Board as a whole, assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. During the year under review, 3 (three) meetings of Independent Directors were held on May 19, 2017, November 1, 2017 and January 31, 2018 and the same were attended by all the Independent Directors except Mr. Rohit Khattar who attended 2 (two) meetings.

Familiarisation Programme for Independent Directors

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

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

The details of familiarisation programme imparted to the Independent Directors is posted on the website of the Company and can be accessed at http://www.clubmahindra.com/sites/default/files/Familiarisation_Programe.pdf.

Board Committees

Audit Committee

The Audit Committee's composition meets with the requirements of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. As on March 31, 2018, the Committee comprised of 5 (five) Directors: Mr. Sridar Iyengar (Chairman of the Committee), Mr. Cyrus Guzder, Mr. Rohit Khattar, Mr. Sanjeev Aga and Mr. V S Parthasarathy.

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

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

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

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - o matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
    - o changes, if any, in accounting policies and practices and reasons for the same;
    - o major accounting entries involving estimates based on the exercise of judgment by management;
    - o significant adjustments made in the financial statements arising out of audit findings;
    - o compliance with listing and other legal requirements relating to financial statements;
    - o disclosure of any related party transactions;
    - o modified opinion(s) in the draft audit report;

- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the Company with related parties;
- scrutiny of inter-corporate loans and investments;
- reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- formulating the scope, functioning, periodicity and methodology for conducting the internal audit;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

B. The audit committee shall mandatorily review the following information:

- management discussion and analysis of the financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations:
    - o quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - o annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Committee met 4 (four) times during the year under review and the gap between two Meetings did not exceed 120 (one hundred and twenty) days. During the Financial Year 2017-18, the Committee met on: May 19, 2017, August 2, 2017, November 1, 2017 and January 31, 2018. Attendance of members of the Committee at the meetings held during the Financial Year 2017-18 is as below:

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

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

Nomination and Remuneration Committee

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

The Nomination and Remuneration Committee consists of Mr. Cyrus Guzder (Chairman of the Committee), Mr. Arun Nanda, Mr. Vineet Nayyar, Mr. Rohit Khattar and Mr. Sridar Iyengar.

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

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

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

The Committee met 3 (three) times during the year under review on: May 19, 2017, August 2, 2017, and January 31, 2018. All the members of the Committee attended all the meetings.

Performance Evaluation of the Board

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

Remuneration to Directors

Remuneration Policy

The Company has formulated a policy on remuneration of Directors and Senior Management Employees. While deciding on the remuneration for Directors, the Board and the NRC considers the performance of the Company, the current trends in the industry, the qualifications of the appointee(s), their experience, past performance and other relevant factors. The Board and the NRC regularly tracks the market trend in terms of compensation levels and practices in relevant industries through participation in structured surveys. This information is used to review the Company's remuneration policies.

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

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

Remuneration of Non-Executive Directors

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

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

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

The remuneration paid to Whole-time Directors was fixed by the NRC which was subsequently approved by the Board of Directors. The Shareholders have approved the remuneration paid/payable to the Managing Director & CEO (uptil November 2, 2019) and the Executive Director (uptil January 21, 2018).

During the year under review, the Non-Executive Directors were paid a commission of ₹ 184 lakh (as provided in the accounts of the year ended March 31, 2017), distributed amongst themselves as shown in the table below.

Detailed information of Directors' remuneration paid during the year 2017-18 is given below:

(₹ in lakh)

Name of the Director	Category of Director	Sitting Fees (Note 1)	Commission	Salary, Performance pay and Perquisites	Superannuation and Provident Fund (Note 2)	Total
Mr. Arun Nanda	Non-Executive Chairman	9.00	100.00	-	-	109.00
Mr. Vineet Nayyar	Non-Executive	5.90	13.50	-	-	19.40
Mr. Cyrus Guzder	Independent	8.00	15.00	-	-	23.00
Mr. Rohit Khattar	Independent	4.80	13.50	-	-	18.30
Mr. Sridar Iyengar	Independent	8.10	15.00	-	-	23.10
Mr. Sanjeev Aga	Independent	6.20	13.50	-	-	19.70
Mr. V S Parthasarathy	Non – Executive	-	-	-	-	-
Ms. Radhika Shastry	Independent	6.00	13.50	-	-	19.50
Mr. Kavinder Singh	MD & CEO	-	-	349.95	20.90	370.85
Mr. S. Krishnan@	CFO & ED	-	-	304.74	4.61	309.35
TOTAL		**48.00**	**184.00**	**654.69**	**25.51**	**912.20**

@ re-designated from "CFO & Executive Director" to "Executive Director" of the Company with effect from May 20, 2017 and ceased to be an Executive Director of the Company w.e.f January 21, 2018.

Notes:

1. Non-Executive Directors and Independent Directors are paid sitting fees for attending meetings of the Board / Committees of the Board of Directors of the Company. The sitting fee has been fixed to ₹ 1,00,000/- for attending meetings of Board and for all other Committee Meetings the same has been fixed to ₹ 30,000/-. In respect of Corporate Social Responsibility Committee, no sitting fee is paid as the sitting fee has been waived by the members of the CSR Committee.
2. Aggregate of the Company's contribution to Superannuation Fund and Provident Fund.
3. Salary to Mr. Kavinder Singh and Mr. S Krishnan

(₹ in lakh)

Particulars	Kavinder Singh	S Krishnan*
Salary and Allowances	260.26	122.98
Perquisites	5.24	141.44
Performance Pay	105.35	44.94

* ceased to be an Executive Director with effect from January 21, 2018.

4. The Company has not advanced loans to any Director during the year.
5. The nature of employment of the Managing Director & CEO with the Company is contractual and can be terminated by giving 3 months' notice from either party. Mr. Kavinder Singh's appointment is for a period of 5 years. The contract does not provide for any severance fees. Remuneration paid/payable to Mr. Kavinder Singh and Mr. S Krishnan was approved by the shareholders.
6. Performance pay to the Whole-Time Directors is determined by the NRC and then approved by the Board on the basis of pre-determined performance parameters.

A commission of ₹ 184 lakh has been provided as payable to the Non-Executive Directors in the accounts of the year under review.

Stakeholders Relationship Committee

The Company's Stakeholders Relationship Committee consists of Mr. Arun Nanda (Chairman of the Committee), Mr. V S Parthasarathy and Mr. Kavinder Singh. Mr. Dinesh Shetty, was the Company Secretary and Compliance Officer of the Company uptil closure of business hours of March 31, 2018.

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

The Committee met 4 (four) times during the Financial Year 2017-18 on May 19, 2017, August 2, 2017, November 1, 2017 and January 31, 2018. All the members of the Committee attended all the meetings, except Mr. V S Parthasarathy who attended 3 (three) meetings out of the 4 (four) held during the Financial Year 2017-18.

During the Financial Year under review, 49 complaints were received from the Shareholders, all of which have been attended to/resolved. As of March 31, 2018, there are no pending share transfers or complaints from the shareholders.

Corporate Social Responsibility Committee

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

The Committee met 4 (four) times during the Financial Year 2017-18 on May 19, 2017, August 2, 2017, November 1, 2017 and January 31, 2018. All the members of the Committee attended all the meetings, except Mr. V S Parthasarathy and Mr. Cyrus Guzder who attended 3 (three) meetings out of the 4 (four) held during the Financial Year 2017-18.

Inventory Approval Committee

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

The Committee met 3 (three) times during the Financial Year 2017-18 on December 13, 2017, January 31, 2018 and March 27, 2018. All the members of the Committee attended all the meetings. Further, during the year under review, the Committee also approved certain transactions by passing the resolutions by way of circulation.

Strategy and Review Committee

The Strategy and Review Committee was constituted by the Board to evaluate and review the business plan and make necessary recommendations and also review the performance of the Company. The Strategy and Review Committee consists of Mr. Arun Nanda (Chairman of the Committee), Mr. Cyrus Guzder, Mr. Rohit Khattar, Mr. Sanjeev Aga and Mr. Kavinder Singh. There was no meeting of the Committee held during the Financial Year 2017-18 as the evaluation and review of strategy and business plan was considered and approved by the Board at its meeting held on December 13 & 14, 2017.

Risk Management Committee

Regulation 21 of the SEBI Listing Regulations with reference to Risk Management Committee is not applicable to your Company. However, your Company has voluntarily constituted a "Risk Management Committee" consisting of Mr. Arun Nanda, Mr. V S Parthasarathy, Mr. Cyrus Guzder and Mr. Kavinder Singh as members of the Committee. The Risk Management Committee's prime responsibility is to oversee the implementation of the risk management policy of the Company. There was no meeting of the Committee held during the Financial Year 2017-18 as the Risk Management framework was discussed and deliberated by the Audit Committee. Your Company has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting. The risk management framework has been discussed in greater detail in the Management Discussion and Analysis Report, which forms a part of this Annual Report.

Securities Allotment Committee

During the year under review, the Securities Allotment Committee was formed by the Board of Directors at their meeting held on May 19, 2017, for allotment of Bonus Equity Shares recommended by the Board of Directors at the said meeting, allotment of the Company's securities pursuant to the exercise of options under Company's Employees' Stock Option Schemes and allotment of securities as may be delegated by the Board / approved by the shareholders of the Company from time to time. Mr. Arun Nanda, Mr. Kavinder Singh and Mr. S Krishnan were appointed as the members of the Committee.

Mr. S Krishnan ceased to be an Executive Director of the Company upon completion of his tenure on January 21, 2018 and consequently, the Committee was reconstituted to include Mr. V S Parthasarathy as a member in place of Mr. Krishnan. As on March 31, 2018 the Committee comprised of 3 (three) members: Mr. Arun Nanda, Mr. V S Parthasarathy and Mr. Kavinder Singh.

There was no meeting of the Committee held during the Financial Year 2017-18. During the year under review, the Committee approved certain transactions by passing the resolutions by way of circulation.

Dissolution of Committees

During the year under review, the Board of Directors at their meeting held on August 2, 2017, approved the dissolution of the committees of Directors namely, Loans & Investment Committee, Investment Committee and Committee of Directors – Investment.

Other Disclosures

Code of Conduct

The Board has laid down two separate Codes of Conduct ("Codes"), one for Board Members and other for Senior Management and Employees of the Company. These Codes have been posted on the Company's website at www.clubmahindra.com. All the Board Members and Senior Management personnel of the Company have affirmed compliance with these Codes. A declaration signed by the Managing Director & CEO on the same is attached at the end of this report.

CEO and CFO Certification

Certificate issued by Mr. Kavinder Singh, Managing Director & Chief Executive Officer (MD & CEO) and Mrs. Akhila Balachandar, Chief Financial Officer (CFO) of the Company, for the Financial Year under review, was placed before the Board of Directors at its meeting held on May 8, 2018, in terms of Regulation 17(8) of the SEBI Listing Regulations. The MD & CEO and CFO also gave quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the SEBI Listing Regulations.

Compliance Certificate of the Auditors

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

Subsidiary Companies

All subsidiary companies are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. As of March 31, 2018, the Company does not have any material unlisted subsidiary incorporated in India, and hence, is not required to nominate an Independent Director of the Company on the Board of any subsidiary. The policy for determining material subsidiaries as approved by the Board may be accessed on the Company's website at: http://www.clubmahindra.com/sites/default/files/Policy_For_Determining_Material_Subsidiaries.pdf

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

Related Party Transactions

During the Financial Year 2017-18, there were no materially significant transactions entered into between the Company and its Promoters, Directors or the management, holding company, subsidiaries or relatives that may have potential conflict with the interests of the Company at large except those mentioned in the Directors Report. Further, the details of related party transactions form part of notes to the standalone accounts of the Annual Report.

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

Details of non-compliance relating to Capital Markets

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

Code for Prevention of Insider Trading Practices

The Company has adopted a comprehensive Code of Conduct for prevention of insider trading for its Directors & designated persons ('Insider Trading Code'). The Insider Trading Code lays down guidelines, through which it advises the designated persons or directors on procedures to be followed and disclosures to be made, while dealing with securities of the Company and cautions them of the consequences of violations. In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and adopted "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" and "Code of Conduct for Prevention of Insider Trading in Securities of Mahindra Holidays & Resorts India Limited. The Company had received an email from SEBI on November 24, 2017 to examine w.r.t. the news article published in the media regarding circulation of WhatsApp message pertaining to Bonus Issue, prior to its declaration. The Company has replied to the same on December 8, 2017 and has not received any further communication on the same from SEBI.

Dividend Distribution Policy

The Company has adopted Dividend Distribution Policy in terms of requirements of the SEBI Listing Regulations and the same is available under Company's website at: http://www.clubmahindra.com/sites/default/files/uploaded%20documents/Dividend-Distribution-Policy.pdf.

Proceeds from Public Issues

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

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

The Company has established a vigil mechanism by adopting Whistle Blower Policy pursuant to which whistle blowers can raise concerns in prescribed manner. Further, the mechanism adopted by the Company encourages a whistle blower to report genuine concerns or grievances and provides for adequate safeguards against victimisation of the whistle blower who avails of such mechanism as well as direct access to the Chairman of the Audit Committee. The functioning of the vigil mechanism is reviewed by the Audit Committee from time to time.

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

Details of Unclaimed Shares

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

As on March 31, 2018, the Company has 5 shareholders with 172 unclaimed shares lying in the Demat Suspense Account. The voting shall remain frozen till the rightful owner of such shares claims the shares. The details as required to be disclosed in the Annual Report are given below:

Particulars	No. of cases	No. of shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. April 1, 2017	5	230
Number of shareholders who approached Issuer / Registrar and Transfer Agent for transfer of shares from suspense account during the year 2017-18	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year 2017-18	Nil	Nil
Number of shares augmented out of the issue of Bonus Shares during the year 2017-18	N.A.	115
Number of shares transferred to MHRIL Fractional Entitlements Trust (fractional shares arising out of Bonus Issue) during the year 2017-18	N.A.	1
Number of shares transferred to Investor Education and Protection Fund during the year 2017-18	N.A.	172
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2018	5	172

Investor Education and Protection Fund (IEPF)

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

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

In view of the above, ₹ 35,436 of unpaid dividend for the Financial Year 2009-10 and 214 equity shares were transferred to the IEPF Authority during the Financial Year 2017-18.

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

The Company has uploaded the details of unclaimed dividend amounts lying with the Company as on August 2, 2017 (date of last AGM) and shareholders whose shares are liable to be transferred to the IEPF Authority on the Company's website at http://www.clubmahindra.com/about-us/investor-relations/financials.

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

Management Discussion and Analysis Report

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

Compliance with Regulations pertaining to Corporate Governance

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

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

General Body Meetings

Details of Annual General Meetings held during past three years and Special Resolution(s) passed

Year	Date	Time	Venue	Special Resolution(s) Passed
2015	July 28, 2015	3.00 PM	Mini Hall, The Music Academy, No. 168, T.T.K. Road, Chennai – 600 014.	1. Appointment of and Remuneration payable to Mr. S Krishnan, Chief Financial Officer and Executive Director of the Company. 2. Payment of Commission to Directors other than Managing Director and Whole time Director. 3. Alteration of Articles of Association to align it with the provisions of the Companies Act, 2013.
2016	July 29, 2016	3.00 PM	Rani Seethai Hall, 603, Anna Salai, Chennai - 600 006.	No special resolution was passed.
2017	August 2, 2017	3.00 PM	Rani Seethai Hall, 603, Anna Salai, Chennai - 600 006.	Payment of remuneration to Mr. Kavinder Singh (DIN 06994031), Managing Director & Chief Executive Officer ("MD & CEO") of the Company for a period of two (2) years with effect from November 3, 2017 to November 2, 2019 (both days inclusive).

Details of Extraordinary General Meeting (EGM) / Court Conveyed Meeting held during past three years and Special Resolution(s) passed

Year	Date	Time	Venue	Special Resolution(s) Passed at EGM / CCM
2015	September 10, 2015*	3.00 PM	Mahindra Towers, roof top, No. 17/18, Patullos Road, Chennai – 600 002.	Approval of the Scheme of Amalgamation & Arrangement of Competent Hotels Private Limited, Divine Heritage Hotels Private Limited and Holiday on Hills Resorts Private Limited with Mahindra Holidays & Resorts India Limited and their shareholders and creditors.

*Meeting of the Equity Shareholders of the Company pursuant to the Orders of the Hon'ble High Court of Judicature at Madras dated July 10, 2015 directing the said meeting to be held.

During the year under review, no EGM was held. No Special Resolution is proposed to be passed through Postal Ballot.

Details of Resolutions passed through Postal Ballot during the Financial Year 2017-18

Pursuant to the provisions of Section 110 of the Act, the Company vide its Postal Ballot Notice dated May 19, 2017 had sought approval of the members for the following Ordinary Resolutions:

(i) Increase in Authorised Share Capital of the Company from ₹ 10,000 lakh to ₹ 15,000 lakh and consequent alteration in the Memorandum of Association of the Company.

(ii) Issue of Bonus Shares.

Mr. M Damodaran, Practicing Company Secretary was appointed as the Scrutiniser for overseeing the Postal Ballot voting process.

<u>The details of Postal Ballot are as follows:</u>

Date of Postal Ballot Notice: May 19, 2017

Voting period: June 1, 2017 to June 30, 2017

Date of approval: June 30, 2017 (being the last date for the receipt of postal ballot forms / e-voting)

Date of Declaration of Results: July 1, 2017

<u>Procedure for Postal Ballot</u>

In compliance with Section 108, 110 and other applicable provisions of the Act read with the Companies (Management and Administration) Rules, 2014, as amended from time to time and the Secretarial Standards, the Company had provided electronic voting (e-voting) facility, in addition to the physical ballot, to all its members. For this purpose, the Company had engaged the services of Karvy Computershare Private Limited for providing the e-voting facility.

Postal Ballot Forms were dispatched along with self-addressed Business Reply Envelope to members on May 26, 2017. The Postal Ballot notice was sent by email to the members who have opted for receiving communication through the electronic mode. The Company had also published a notice in the newspaper on May 27, 2017 declaring the details and requirements as mandated by the Act and applicable rules.

Voting rights were reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members who wanted to exercise their votes by physical postal ballot were requested to return the forms duly completed and signed to the scrutinizer on or before the closing of the voting period. Those using the e-voting option were requested to vote before the close of business hours on the last date of e-voting.

The Scrutinizer, after completion of his scrutiny, submitted his report to the Executive Director of the Company and the consolidated results of voting were announced by the Company Secretary on July 1, 2017. The results were also displayed on the Company's website at www.clubmahindra.com, besides being communicated to the Stock Exchanges and Registrar and Transfer Agent.

<u>Postal Ballot Results:</u>

1. Increase in the Authorized Share Capital of the Company and consequent alteration in the Memorandum of Association of the Company

Category	Mode of Voting	No. of Shares held (1)	No. of votes polled (2)	% of votes polled on outstanding shares (3)=[(2)/(1)]*100	No. of votes – in favour (4)	No. of votes against (5)	%of votes in favour on votes polled (6)=[(4)/(2)]*100	% of votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-voting	5,99,27,077	5,99,27,077	100.00	5,99,27,077	0	100.00	0.00
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot		-	-	-	-	-	-
	Total	**5,99,27,077**	**5,99,27,077**	**100.00**	**5,99,27,077**	**0**	**100.00**	**0.00**
Public -Institutions	E-voting	1,91,12,367	1,62,42,225	84.9828	1,62,42,225	0	100.00	0.00
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot		-	-	-	-	-	-
	Total	**1,91,12,367**	**1,62,42,225**	**84.9828**	**1,62,42,225**	**0**	**100.00**	**0.00**
Public – Non Institutions	E-voting	97,41,412	7,05,639	7.2437	7,05,477	162	99.9770	0.0230
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot		15,299	0.1571	15,199	100	99.3464	0.6536
	Total	**97,41,412**	**7,20,938**	**7.4008**	**7,20,676**	**262**	**99.9637**	**0.0363**
Total		**8,87,80,856**	**7,68,90,240**	**86.6068**	**7,68,89,978**	**262**	**99.9997**	**0.0003**

2. **Issue of Bonus Shares**

Category	Mode of Voting	No. of Shares held (1)	No. of votes polled (2)	% of votes polled on outstanding shares (3)=[(2)/(1)]*100	No. of votes – in favour (4)	No. of votes against (5)	%of votes in favour on votes polled (6)=[(4)/(2)]*100	% of votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-voting	5,99,27,077	5,99,27,077	100.00	5,99,27,077	0	100.00	0.00
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot		-	-	-	-	-	-
	Total	**5,99,27,077**	**5,99,27,077**	**100.00**	**5,99,27,077**	**0**	**100.00**	**0.00**
Public -Institutions	E-voting	1,91,12,367	1,62,42,225	84.9828	1,62,42,225	0	100.00	0.00
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot		-	-	-	-	-	-
	Total	**1,91,12,367**	**1,62,42,225**	**84.9828**	**1,62,42,225**	**0**	**100.00**	**0.00**
Public – Non Institutions	E-voting	97,41,412	7,05,639	7.2437	7,05,478	161	99.9772	0.0228
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot		15,299	0.1571	15,199	100	99.3464	0.6536
	Total	**97,41,412**	**7,20,938**	**7.4008**	**7,20,677**	**261**	**99.9638**	**0.0362**
Total		**8,87,80,856**	**7,68,90,240**	**86.6068**	**7,68,89,979**	**261**	**99.9997**	**0.0003**

General Shareholder Information

Twenty Second Annual General Meeting

Date : August 2, 2018

Time : 3.00 PM

Venue : Vani Mahal (Mahaswami Hall), 103, G. N. Chetty Road, T. Nagar, Chennai - 600 017, Tamil Nadu

Dates of Book Closure/Record Date

Dates of book closure for dividend will be from July 27, 2018 to August 2, 2018 both days inclusive.

Dividend Payment Date

Dividend if declared at the Annual General Meeting will be paid on or after August 3, 2018.

Financial Year

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

Financial Reporting for 2018-19

The First Quarter Results – June 30, 2018	By first week of August, 2018
The Half Yearly Results – September 30, 2018	By end of October, 2018
Third Quarter Results – December 31, 2018	By end of January, 2019
Approval of Annual Accounts –March 31, 2019	By second week of May, 2019

Note: The above dates are indicative.

Means of Communication

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

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

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

Listing on Stock Exchanges

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

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

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

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

ISIN: INE998I01010

Stock Performance

BSE and NSE – Monthly High / Low and Volumes

	National Stock Exchange of India Limited			BSE Limited		
	High (₹)	Low (₹)	Monthly Volume	High (₹)	Low (₹)	Monthly Volume
Pre-Bonus (till July 9, 2017)						
April, 2017	468.00	427.50	12,71,533	466.70	428.50	1,34,081
May, 2017	510.75	440.40	13,96,064	509.50	440.10	1,54,279
June, 2017	628.60	496.40	28,01,244	627.45	498.00	5,51,996
July, 2017*	659.80	584.00	7,16,185	657.90	589.00	89,739
Post-Bonus (from July 10, 2017)						
July, 2017*	490.00	390.00	8,69,187	469.00	392.65	4,58,287
August, 2017	410.00	338.40	12,54,389	410.00	338.70	1,39,839
September, 2017	377.90	337.55	19,73,474	377.00	337.95	1,16,555
October, 2017	394.35	339.30	14,37,235	404.00	337.00	1,83,608
November, 2017	383.50	323.45	15,95,090	384.30	324.00	1,89,928
December, 2017	350.80	326.10	10,66,765	350.20	326.05	1,69,841
January, 2018	385.40	325.80	18,06,617	389.00	329.00	2,32,237
February, 2018	347.70	288.25	19,91,033	346.45	289.50	5,82,747
March, 2018	299.90	272.05	24,38,067	300.25	271.00	8,70,462

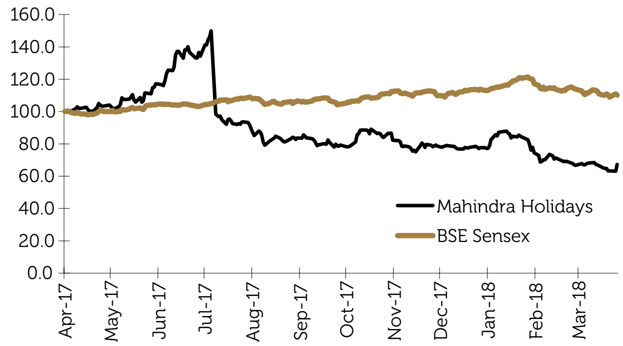
* Price was adjusted consequent to the issue of Bonus Shares.

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

Month	MHRIL's Closing Price on NSE on the last trading day of month (₹)	BSE Sensex at the Close of last trading day of the month	NSE Nifty at the Close of last trading day of the month	BSE 500 Index at the Close of last trading day of the month
April, 2017	450.20	29,918.40	9,304.05	12,979.24
May, 2017	500.65	31,145.80	9,621.25	13,199.15
June, 2017	585.10	30,921.61	9,520.90	13,178.45
July, 2017*	407.95	32,514.94	10,077.10	13,897.23
August, 2017	359.90	31,730.49	9,917.90	13,762.13
September, 2017	340.85	31,283.72	9,788.60	13,610.70
October, 2017	377.85	33,213.13	10,335.30	14,485.57
November, 2017	345.80	33,149.35	10,226.55	14,493.58
December, 2017	337.95	34,056.83	10,530.70	15,002.73
January, 2018	330.60	35,965.02	11,027.70	15,347.19
February, 2018	290.55	34,184.04	10,492.85	14,670.49
March, 2018	293.25	32,968.68	10,113.70	14,125.53

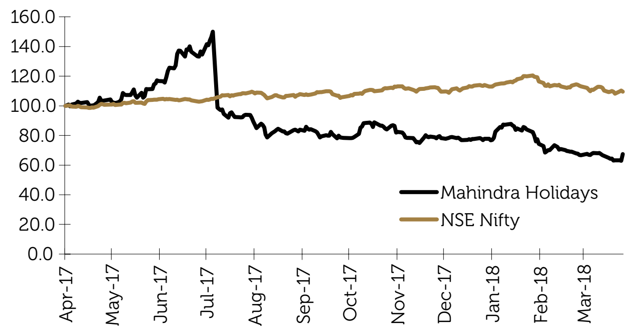
* Price was adjusted consequent to the issue of Bonus Shares.

Mahindra Holidays' Share Performance versus BSE Sensex



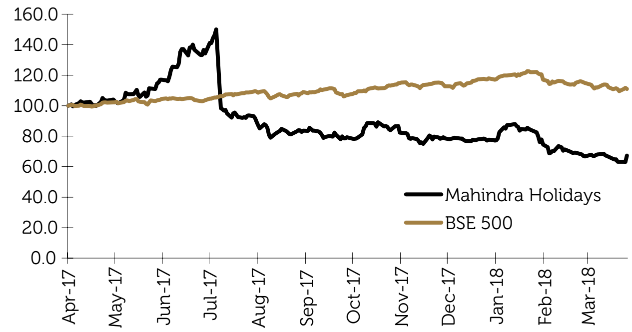
Note: Share price of Mahindra Holidays and BSE Sensex have been indexed to 100 on April 1, 2017

Mahindra Holidays' Share Performance versus NSE NIFTY



Note: Share price of Mahindra Holidays and NSE NIFTY have been indexed to 100 on April 1, 2017

Mahindra Holidays' Share Performance versus BSE 500



Note: Share price of Mahindra Holidays and BSE 500 have been indexed to 100 on April 1, 2017

Share Transfer System

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

The Stakeholders Relationship Committee meets as and when required to, *inter alia*, consider the transfer proposals and attend to Shareholders' grievances. As of March 31, 2018, there are no pending share transfers pertaining to the year under review.

Distribution of Shareholding as on March 31, 2018

Category (Shares)	Number of Shareholders	% to Shareholders	Number of Shares	% to shares
1 - 100	22,844	64.86	8,09,944	0.00
101 - 500	9,119	25.89	21,14,138	0.09
501 - 1000	1,587	4.50	11,72,338	0.19
1001 - 5000	1,268	3.60	25,87,215	0.99
5001 - 10000	184	0.52	13,09,333	0.64
10001 - 50000	151	0.43	32,46,403	2.18
50001 - 100000	16	0.05	11,41,119	0.85
100001 & above	52	0.15	12,10,63,294	95.06
Total:	**35,221**	**100.00**	**13,34,43,784**	**100.00**

Shareholding Pattern as on March 31, 2018

Category of Shareholders	Total Holdings	Holdings in Percentage
Promoters holdings	8,98,90,615	67.36
Foreign Portfolio Investors	94,62,881	7.09
Mutual Funds	1,69,33,527	12.69
Banks, Financial Institutions & others	34,046	0.03
Bodies Corporate	19,91,207	1.49
NRIs/OCBs/Foreign Nationals	6,72,370	0.50
ESOP Trust	6,84,290	0.51
IEPF	214	0.00
Indian Public	1,37,74,634	10.33
Total	**13,34,43,784**	**100.00**

Dematerialisation of Shares

As on March 31, 2018, 99.99 per cent of the paid-up Equity Share Capital is held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The market lot is one share, as trading in the Equity Shares of the Company on exchanges is permitted only in dematerialised form. Non-Promoters' holding is 32.13 per cent.

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

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

Offices of the Company

Registered Office:

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

Corporate Office:

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

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

Registrar and Transfer Agent

M/s. Karvy Computershare Private Limited
Unit: Mahindra Holidays & Resorts India Limited
Karvy Selenium Tower B, Plot No.31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad – 500 032,
Telangana, India
T: +91 40 6716 2222/6716 1551
F: +91 40 2300 1153
Toll Free: 18003454001
E: einward.ris@karvy.com

Address for Correspondence

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

Company Secretary & Compliance Officer

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

Company's Investor E-mail ID

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

Company's website

www.clubmahindra.com

Declaration on Code of Conduct

To

The Members of Mahindra Holidays & Resorts India Limited

I, Kavinder Singh, Managing Director & CEO of Mahindra Holidays & Resorts India Limited declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2018.

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Mumbai
May 8, 2018

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the members of
Mahindra Holidays & Resorts India Limited

1. This certificate is issued in accordance with the terms of our agreement dated 1 March 2018.
2. This report contains details of compliance of conditions of corporate governance by Mahindra Holidays & Resorts India Limited ('the Company') for the year ended 31 March 2018 as stipulated in regulations 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

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

3. The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2018.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

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

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

Koosai Lehery
Partner
Membership No: 112399

Mumbai, 8 May, 2018

BUSINESS RESPONSIBILITY REPORT FOR THE FINANCIAL YEAR 2017-18

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

Section A: General Information about the Company

Sr. No.	Particulars	Company Information
1.	Corporate Identity Number (CIN) of the Company	L55101TN1996PLC036595
2.	Name of the Company	MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED
3.	Registered address	Mahindra Towers, 2nd Floor, 17/18, Patullos Road, Chennai – 600 002, Tamil Nadu, India
4.	Website	www.clubmahindra.com
5.	E-mail id	investors@mahindraholidays.com
6.	Financial Year reported	April 1, 2017 – March 31, 2018
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Codes:55– Accommodation and 56 - Food & Beverages service activities
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	(i) Sale of vacation ownership memberships (ii) Sale of Food and Beverages
9.	Total number of locations where business activity is undertaken by the Company	
	A. Number of International Locations (details of major 5)	The Company has marketing office in Dubai. Further, the Company manages and operates hotel properties in Kuala Lumpur (Malaysia), Bangkok (Thailand) and Dubai. Holiday Club Resorts Oy, Finland, subsidiary company of the Company is a largest vacation ownership company in Europe, having resorts at Finland, Sweden and Spain.
	B. Number of National Locations	The Company has its business activities and operations spread across the country which includes 55 resorts and 124 branches, sales offices and channel partners.
10.	Markets served by the Company – Local/ State/National/International	The Company mainly serves the Indian markets in addition to marketing of vacation ownership membership in United Arab Emirates through its office located at Dubai.

Section B: Financial Details of the Company

(₹ in lakh)

Sr. No.	Particulars	Amount
1.	Paid up Capital	13,344
2.	Total Turnover*	1,06,419
3.	Total profit after taxes*	13,436
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (2%)	340.20
5.	List of activities in which expenditure in 4 above has been incurred:- CSR expenditure has been incurred mainly in the activities related to (a) promotion of education, (b) women empowerment & promoting gender equality, (c) healthcare, (d) environment sustainability and (e) rural development & community welfare. Further details are available in Annexure III of the Directors' Report on CSR Activities which forms part of the Annual Report.	

* As per standalone financial statements for the financial year 2017-18

Section C: Other details

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

   Yes. The Company has 36 Subsidiary Companies (including 34 foreign subsidiaries) as on March 31, 2018.

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

   The operations and initiatives of the Company have been included in the annual Mahindra Group Sustainability Report since 2007-08. In addition, the Company is also releasing a standalone Business Responsibility Report since Financial Year 2016-17. The Company has a Code of Conduct for Employees and Directors as well as set of Governance Polices. Out of the two domestic subsidiaries of the Company, one has commenced its operations during the Financial Year 2017-18 and other one is yet to commence its operations. Further, the remaining are the foreign subsidiaries. In view of this, subsidiary companies are not included in the report.

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

   No

Section D: Business Responsibility (BR) Information

1. Details of Director/Directors responsible for BR

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

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

b. Details of the BR head

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

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

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

NVGs Principle:

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

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

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

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

P5 Business should respect and promote Human Rights.

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

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

P8 Businesses should support inclusive growth and equitable development.

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

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

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

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

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

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

3. Governance related to Business Responsibility (BR)

Information with reference to BR framework:

(1) Frequency of review, by the BR committee to assess the BR performance

The BR Committee reviews BR performance of the Company periodically during a period of 3-6 months. Mr. Kavinder Singh, Managing Director & CEO of the Company, who is also on the Board, assess the BR performance.

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

The Company is publishing the BR Report on annual basis since Financial Year 2016-17 and the same are available on the website of the Company at www.clubmahindra.com. While no standalone sustainability report is published by the Company, Mahindra Group Sustainability Report as per the GRI framework is published annually. All Sustainability Reports from 2007-08 are accessible on the Mahindra & Mahindra website http://www.mahindra.com/about-us/sustainability.

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

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

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

   During the year under review, 49 complaints were received from the shareholders, all of which were attended to/resolved till date.

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

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

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

   The Company endeavours to embed the principles of sustainability, as far as practicable, into the various stages of product or service life-cycle, including procurement of raw material, manufacturing of food products in the resorts or delivery of service and disposal by consumers. The Company also ensures environmental sustainability by building green spaces, responsible use and measures to rejuvenate natural resources & responsible waste management. The Company promotes renewable energy and has initiated many energy saving initiatives. These include use of Solar power plants at some of the Company's resorts and provisioning of newer technologies and energy efficient machines at the new projects. Besides, measures are taken to further conserve power and water and deployment of biogas plants and compost machines for recycling dry and wet garbage respectively. The Company has also invested in equipment upgrades like LED lighting, highly-efficient heat pumps and variable frequency drives at its various resorts.

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

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

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

   The Company efforts are focused towards building green spaces that ensure the well-being of Club Mahindra Vacation Ownership Members. All ongoing projects undergo pre-certification under the Indian Green Building Council (IGBC) rating system. The Company identifies the significant environmental aspects arising from the activities and adopt mitigation plan to minimize the impact. The appearance of a Green Building will be similar to any other building. However, the difference is in the approach, which revolves round a concern for extending the life span of natural resources, provide human comfort, safety and productivity. This approach results in reduction in operating costs like energy and water, besides several intangible benefits.

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

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

   The Company has crafted extensive strategies to ensure sustainable consumption of energy, water and other resources in its businesses. The Company has planned solar power plants for generating hot water at eight resorts and the same has been implemented in three resorts and work is in progress at the balance five resorts. Another important initiative includes recycling of water from sewage treatment plants, rain water harvesting, installation of water saving taps/fixtures in rooms as well as in public areas. The focus has been on to reduce the specific energy consumption, increasing share of renewable energy sources in total energy consumption, water conservation, recycling and reusing waste generated.

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

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

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

   The Company's vendors/service providers and large outsourced facilities are encouraged to follow practices detailed under the ISO 9001, ISO 14001, OHSAS 18001 and Company's Corporate Environment Health and Safety (EHS) Guidelines.

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

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

   Further resource efficiency is integrated into product and process design and is a critical component in the creation of physical infrastructure, operations phase, logistics, water management, energy management and waste management. The Company has installed organic waste converters, vermicompost systems and biogas plants at its resorts. By the end of the year, 46 per cent of the wet waste produced by the Company was recycled. About 51% of the total water consumed is recycled. STP water is used for gardening after treatment.

Principle 3: Businesses should promote the wellbeing of all employees –

1. Please indicate the Total number of employees.: 5,246
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis: 1,138
3. Please indicate the Number of permanent women employees: 1,000
4. Please indicate the Number of permanent employees with disabilities: 46
5. Do you have an employee association that is recognized by management: N.A.
6. What percentage of your permanent employees is members of this recognized employee association? None
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No:	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	4	1
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

   (1) Permanent Employees: 71%

   (2) Permanent Women Employees: 73%

   (3) Casual / Temporary / Contractual Employees: 52%

   (4) Employees with disability: 66%

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

1. Has the company mapped its internal and external stakeholders? Yes/No: Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders: Yes
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   The Company believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth. The Company has signed MOU with NGOs like Kautilya Sansthan, Disha, Sewa Bharat, CII Foundation and Gunsar Local Sangeet Sansthan. In the area of community welfare, the Company supported animal husbandry, cottage industries such as weaving, tailoring and pottery in Kumbalgarh (Rajasthan), Kanha (Madhya Pradesh), Tungi (Maharashtra) and Puducherry.

   Further, the Company has implemented mechanisms to facilitate effective dialogues with all stakeholders across businesses, identify material concerns and their resolution in an equitable and transparent manner. The CSR activities of the Company encompassing food, donations, engagement with local community, educational support & other allied initiatives are also implemented. These programmes are undertaken in association with local partners including communities, Self Help Groups, NGOs in and around the regions of the resorts. These collaborative partnerships with communities are manifest in its CSR programmes such as rural development, social forestry, livestock entrepreneur projects and providing a facelift to rural schools and women's empowerment. These measures have not only helped Company to develop strong relationships, which have withstood the test of time but also augmenting the natural resource base of the nation and creating sustainable rural livelihoods.

The Company also recruits differently abled employees across locations from NGOs and Government and private training centres thus helping them with livelihood and including them in mainstream. The Company has collaboration with Mahindra Pride School and employs youth from economically backward groups providing them with livelihood. Very recently under the Government's Skill India Initiative, the Company has also collaborated with the Tourism and Hospitality Skill Council to provide opportunities to the skilled employees in the industry.

Principle 5: Businesses should respect and promote human rights

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

   The BR Policy covers the aspects on Human Rights for the Company. Human Rights issues are a part of the supplier selection process and are also included in the contracts drawn up with them.

   The policy and its implementation are directed towards adherence to applicable laws and to uphold the spirit of human rights, as enshrined in existing international standards such as the Universal Declaration and the Fundamental Human Rights Conventions of the International Labour Organisation (ILO). The Company requires its employees and business partners to subscribe and adhere to this Policy.

   The Company encourages and guides its supply chain partners to be human rights compliant in their operations. The Company plays a positive role in building awareness on human rights for its stakeholders and encourages respect for human rights of the local communities with specific focus on vulnerable and marginalised groups.

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

   During the year under review, 5 (five) complaints were received under the Whistleblower mechanism and the same were resolved by the Company.

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

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

   The Company has various policies related to environmental protection. The Policies on Life cycle assessment of products and services, Environment, Health and Safety and Responsible Sourcing provide the necessary direction towards climate change mitigation and adaptation efforts as well as natural resource replenishment initiatives. The subsidiaries/joint ventures are not covered under the Company's environmental policies for the reasons mentioned earlier.

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

   Yes.

   The Company recognises the importance of sustainability and is committed to conserve the ecological integrity the surrounding locations through responsible business practices, accountability and transparency. The Company has direct measures across the resorts to ensure waste minimisation, segregation at source and solid waste recycling including Tree plantation. Some of the key areas that have been identified for implementing sustainable practices include carbon footprint measurement, conservation of biodiversity & assessment, use of recyclable products. Minimization of construction waste and demolition debris through reuse and recycling. Minimization of sanitary waste through reuse of graywater and water-saving devices. Rain water is harvested for internal usage. Water is conserved through various techniques adopted during carrying out resort operations. Sewage Treatment Plant (STP) are set up for treatment of waste water and the treated water is reused for gardening purpose.

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

   Yes, The Company actively participates in the Mahindra Group's initiative for Corporate Sustainability Reporting. The 'Sustainability Report' of the Group is prepared in accordance with the internationally accepted framework specified by the Global Reporting Initiative (GRI). This framework sets out the principles and indicators that should be used to measure and report economic, environmental, and social performance. During 2017-18, 22 resorts participated in sustainability reporting of the Group.

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

   The Company continually strive to conserve water and improve the efficiency of water utilization across the resorts by following 5 R principle (Reduce, Reuse, Recycle, Recharge and Rain water harvesting). Solar plants, LED Lights, Water Meters, using aerators and prismatic taps water efficient showerheads installed at most of the resorts to address responsible energy and water consumption. Installation of new bath fittings/flush tanks with less water usage. Installed signage boards in guest rooms and common area to create awareness amongst staff and guests to use water responsibly. Auto sensors are installed in public area toilets across all resorts. The Company has joined EP100, making the commitment to double its energy productivity by 2030 and became the first global hospitality company to take on a leadership role in energy productivity & activity supporting India's national commitments to mitigate the impact of climate change.

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

   Refer point no. 2&4 above. For more details, please refer Company's website at http://www.clubmahindra.com

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

   Yes

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

   None

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

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

   (a) All India Resorts & Development Authority (AIRDA)

   (b) Bombay Chamber of Commerce and Industry

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

   (d) Confederation of Indian Industry

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

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

Principle 8: Businesses should support inclusive growth and equitable development

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

   The Company believes in the transformational capacity of strategic context of business to create game-changing development models by unleashing their power of entrepreneurial vitality, innovation and creativity enterprises possess, beyond mere financial resources. In line with this belief, the Company has crafted unique models to generate livelihoods and environmental capital. Such Corporate Social Responsibility (CSR) projects are far more replicable, scalable and sustainable, with a significant multiplier impact on sustainable livelihood creation and environmental replenishment. The Company's CSR programmes are guided by the Board approved CSR Policy.

   The Company's high impact social development projects are aimed at enhancing environmental and natural capital, supporting rural development, promoting education, women empowerment, promoting healthcare, providing sanitation and drinking water, creating livelihoods for people, especially those belonging to the disadvantaged sections of society, in rural and urban India, preserving and promoting traditional art and culture and promoting sports.

   Economic Empowerment of Women – Providing Social Dignity to Rural Women

   The Company's Women's Empowerment Programme, which creates supplementary incomes for rural women, is aimed at providing social dignity and economic independence to rural women through micro-enterprises and self-employment.

   Till date the Company has supported 717 women through Self Help groups to improve their quality of life and enhance their earning capacity.

   Gram Vikas: Sewa Bharat to empower women farmers in Binsar (Uttarakhand) by engaging them in Self Help Groups and providing them financial literacy, teaching alternative methods of farming, organic farming and entrepreneurial skills.

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

Supporting Primary Education & Skills Development – Community Development

Nanhi Kali Project – It has been Company's mission to encourage girl child education for which the Company has been regular donors to KC Mahindra trust providing the 50% of Company's CSR budget for Nanhi Kali. The contribution has helped the Company to support 4,670 girls from disadvantaged families in rural and urban areas in India for the academic year 2017-18.

The Company has signed MOU with Swayam NGO to carry out integrated rural development activities in Bhekawali village.

Partnership with Disha for holistic Rural Development-Vocational Training: The Company organised Mobile pouch making training for Self Help Groups (SHG) members.

The Company during the last 3 years supported Hejamady Foundation for building English Medium School.

Masoom Night School Transformation Program: Masoom is a not-for-profit organization with a passion for establishing quality education in night schools. In order to achieve this, Masoom partners with night schools to facilitate the Night School Transformation Program (NSTP).

The Company and Sewa Bharat has continued the Hospitality, Beauty and Wellness project at Mussoorie during the year under review. The students were counselled and trained in Hospitality & Housekeeping and Beauty & Wellness activities.

The Health Camps, Health Awareness sessions and financial literacy sessions were conducted during the year for empowering the women in the backward areas.

Protection of art, heritage and culture – under the aegis of this mandate of the Government, the Company has adopted the Gunsar Lok Sangeet Sansthan project to train youngsters in Jaisalmer to keep alive the local folk music.

Conservation of natural resources, Swachh Bharat, Environment Sustainability -

Biodiversity: To rejuvenate the environment, the Company has planted 5,000 saplings near the Ashtamudi Lake. Under the aegis of the Company - Haryali 34,150 trees were planted in 35 resorts locations. Also the Company participated in Earth Hour when the lights were switched off to save energy. Dustbins were placed in Manali Mall road to curb littering and solar lanterns were given to villagers in Pali Village, Rajasthan.

Environment: Heeding the Clarion call by the Prime Minister on clean India and Employees Social Options Program (ESOPs) Team at all the resorts location participated in cleaning drives to clean the surrounding areas of the resorts. The Company signed an MOU with CII Foundation to enhance awareness and sensitivity about cleanliness, sanitation and hygiene among Mumbai citizens; - The focus of the project was to encourage best cleanliness practices and end littering among Mumbai citizens.

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

Yes. The Company has conducted an impact assessment of the School Project at Hejamadi Kody in Mangalore, Skill Development Project with Sewa Bharat in Mussoorie, a small scale enterprise Areca leaf plate making microfinance project in Chennai and Rural Development Project with Disha NGO in Maharashtra and with Masoom NGO

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

The Company's contribution to community development projects amounts to ₹ 340.20 lakh during the Financial year 2017-18. Details of the major projects undertaken are available in the Annual Report on CSR Activities – Annexure III to Directors Report.

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

The Company involves the community in decision-making process right from problem identification through planning and implementation. The extensive engagement with the community establishes joint ownership of projects. All concerns are addressed amicably and the initiatives are adopted since they are designed as per the identified and prioritized needs of the community by means of Participatory Rural Appraisal technique to garner the support and acceptance of the development projects identified. The Projects are implemented with active participation of the communities and progress is jointly evaluated with the community representatives. Regular monitoring and verification is conducted by teams to ensure that initiatives implemented are sustained. The feedback provided by the community is incorporated and learning cycle is mapped for each initiative.

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

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

Over the years, the Company has made it easy for its customers to voice out their concerns and accordingly, a well-established escalation matrix has been published on its website. The Company has a robust mechanism of tracking customer complaints and tracks negativity across all possible touch points including voice, email, digital and direct walk-ins. The Company has launched a servicing platform on its mobile app through which customers can raise their service requests and concerns. The Company also tracks social media and customer complaints on any platform are picked up instantly. All customer complaints are attended to with utmost seriousness and the Company focusses on addressing and reducing complaints. Of the total customer complaints, 3.1% were pending at the end of the year.

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

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

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   None

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   Being a long-term relationship & experiential product, the Company monitors vacation ownership members loyalty by adopting a 360 degree approach towards member surveys/feedbacks. Feedbacks are collected across all key lifecycle touch points, post every transaction of the member with the brand.

   Every feedback also has supplementary questions that guide the Company to understand positive & negative experiences and act accordingly. The Company also captures sentiments on member comments on the various feedback forms and acts on it regularly. The Company's Customer As Promoter Scores (CAPS) score was 63 per cent at the end of Financial Year 2017-18. An organization's score of above 50 is considered exceptional based on this methodology. Further, as mentioned above, the Company started using Customer Effort Scores (CES) – a globally accepted metric that captures the ease of transacting. CES was at an encouraging 40 per cent in Financial Year 2017-18.

STANDALONE FINANCIAL STATEMENTS

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

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of Mahindra Holidays & Resorts India Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the statement of Cash Flows for the year then ended, and 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 Ind AS 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 state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

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 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 of the Standalone Ind AS financial statements 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 are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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 of the state of affairs of the Company as at 31 March 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended 31 March 2017 prepared in accordance with Ind AS included in these Standalone Ind AS financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information dated 19 May 2017 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 Cash Flow Statement and 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 Indian Accounting Standards prescribed under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; 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 has disclosed the impact of pending litigations on the financial position in its Standalone Ind AS financial statements – Refer Note 37 to the Standalone Ind AS financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

      iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

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

Koosai Lehery
Partner
(Membership No. 112399)

Mumbai, May 8, 2018

Annexure A to the Independent Auditors' Report – 31 March 2018

(Referred to in our report of even date)

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year. In our opinion, and according to information and explanations given to us, no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the registered sale deeds and Court orders approving schemes of arrangements/amalgamations provided to us by the Company, the title deeds of immovable properties are held in the name of the Company except for the following which are not held in the name of the Company:

Sr. No.	Total no. of cases	Type of Assets	Gross Block as at 31 March 2018	Net Block as at 31 March 2018	Remarks
1	3	Freehold land	94,192,919	94,192,919	Received on merger of the erstwhile Companies. Company is in the process of transferring the title deeds.
2	3	Building	511,554,493	440,538,627	Received on merger of the erstwhile Companies. Company is in the process of transferring the title deeds

ii. The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.

iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to the loans given, investments made, guarantees given and security provided.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. In our opinion and according to the information and explanations given to us, having regard to the nature of the Company's business/activities, paragraph 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and service tax, Provident fund, Employees' state insurance, Income-tax, Sales-tax, Service tax, Luxury tax, Value added tax, Duty of customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and service tax, Provident fund, Employees' state insurance, Income-tax, Sales-tax, Service tax, Luxury tax, Value added tax, Duty of customs, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Goods and service tax, Sales tax, Value added tax and Duty of customs which have not been deposited on account of any dispute. The following disputed dues in respect of Income tax, Service tax and Luxury tax have not been deposited by the Company with the appropriate authorities:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which amount relates	Amount* (₹ in lakhs)
Income Tax Act, 1961	Income tax, Interest and Penalty	High Court	AY 1999 to 2011	31,251
		Income tax Appellate Tribunal	AY 2010, AY 2012 to 2015	31,674
		Commissioner of Income Tax- Appeals	AY 2016	10,537
Finance Act	Service Tax, Interest and Penalty	Custom, Excise and Service tax Appellate Tribunal	FY 2005 to 2014	9,322
Tamilnadu Luxury Tax Act	Luxury Tax	Deputy Commissioner	FY 2003 to 2006	64
		Commissioner - Appeals	FY 2011 to 2012	17
Kerala Luxury Tax Act	Luxury Tax	Intelligence officer-Debikulam	FY 2009 to 2011	659
		Appellate Commissioner	FY 2012-2016	4,310
Uttarakhand Luxury Tax Act	Luxury Tax	Appellate Commissioner	FY 2013	34
Gujarat Luxury Tax Act	Luxury Tax	Commissioner of Commercial taxes	FY 2014 to 2016	684
Maharashtra Luxury Act	Luxury Tax	Commissioner of Commercial taxes	FY 2013 to 2014	42

* net of amounts paid under protest.

viii. According to the information and explanations given to us, and based on the records of the Company, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowing from financial institutions or government or debenture holders during the year.

ix. According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

x. According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations 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 to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi. According to information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Koosai Lehery
Partner
(Membership No. 112399)

Mumbai, May 8, 2018

Annexure B to the Independent Auditors' Report – 31 March 2018

(Referred to in our report of even date)

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

We have audited the internal financial controls with reference to financial statements of Mahindra Holidays & Resorts India Limited ("the Company") as at 31 March 2018 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 financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 the 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note 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 Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements.

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that:

(a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(b) 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

(c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Koosai Lehery
Partner
Mumbai, May 8, 2018 (Membership No. 112399)

BALANCE SHEET AS AT MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
Assets			
Non-current assets			
Property, Plant and Equipment	4	**84,851.59**	87,861.72
Capital work-in-progress		**10,848.60**	5,960.64
Other intangible assets	5	**981.26**	1,601.01
Intangible assets under development		**92.61**	211.42
Financial Assets			
Investments			
Investments in subsidiaries	6	**9,532.75**	8,000.61
Other Investments	6	**373.18**	365.59
Trade receivables	7	**46,396.43**	49,443.33
Loans	8	**4,282.94**	3,751.94
Other Financial Assets	9	**2,902.23**	1,243.12
Deferred Tax Assets (Net)	10	**1,348.23**	2,068.80
Other non-current tax assets (Net)	11(a)	**11,780.37**	10,777.77
Other non-current assets	11(b)	**3,533.33**	2,168.65
		1,76,923.52	1,73,454.60
Current assets			
Inventories	12	**633.49**	593.39
Financial Assets			
Investments	13	**44,468.76**	9,711.29
Trade receivables	14	**96,999.59**	90,134.28
Cash and cash equivalents	15	**2,388.43**	15,470.53
Other bank balances	16	**106.58**	1,314.10
Loans	17	**2,800.63**	4,911.13
Other Financial Assets	18	**908.15**	0.10
Other current assets	19	**3,547.94**	3,052.26
		1,51,853.57	1,25,187.08
		3,28,777.09	2,98,641.68
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	**13,275.95**	8,823.45
Other equity	21	**63,168.61**	58,618.97
		76,444.56	67,442.42
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Other financial liabilities	22	**281.69**	101.86
Provisions	23	**724.34**	859.64
Other non-current liabilities			
Deferred Revenue	24	**2,04,424.02**	1,87,801.25
		2,05,430.05	1,88,762.75
Current liabilities			
Financial Liabilities			
Trade payables	25	**12,667.14**	12,114.53
Other financial liabilities	26	**7,297.95**	7,179.62
Provisions	27	**338.49**	177.40
Other current liabilities			
Deferred Revenue	28(a)	**24,425.91**	21,680.75
Others	28(b)	**2,172.99**	1,284.21
		46,902.48	42,436.51
		3,28,777.09	2,98,641.68

See accompanying notes to the financial statements

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399

Place: Mumbai
Date: May 08, 2018

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Akhila Balachandar
Chief Financial Officer

Place: Mumbai
Date: May 08, 2018

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
Revenue			
Revenue from operations	29	**1,06,418.57**	1,07,318.48
Other income	30	**3,000.46**	1,720.43
Total Revenue		**1,09,419.03**	1,09,038.91
Expenses			
Employee benefits expense	31	**24,284.05**	22,529.36
Finance costs	32	**4.86**	2.16
Depreciation and amortisation expense	4 & 5	**5,479.55**	6,053.37
Other expenses	33	**58,935.25**	60,359.56
Total Expenses		**88,703.71**	88,944.45
Profit before tax		**20,715.32**	20,094.46
Tax Expense			
Current tax	34	**6,558.88**	7,534.55
Deferred tax	34	**720.57**	(505.29)
Total tax expense		**7,279.45**	7,029.26
Profit after tax		**13,435.87**	13,065.20
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit asset		**(109.44)**	(4.48)
Income taxes related to items that will not be reclassified to profit or loss		**37.87**	1.55
Net other comprehensive income not to be reclassified subsequently to profit or loss		**(71.57)**	(2.93)
Total comprehensive income for the period attributable to:			
Owners of the Company		**13,364.30**	13,062.27
Earnings per equity share (for continuing operation):			
(face value of ₹ 10 per share)			
Basic	35	**10.14**	9.88
Diluted	35	**10.10**	9.85

See accompanying notes to the financial statements

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399

Place: Mumbai
Date: May 08, 2018

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Akhila Balachandar
Chief Financial Officer

Place: Mumbai
Date: May 08, 2018

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Net Profit before tax for the year	**20,715.32**	20,094.46
	Adjustments for:		
	Finance costs	**4.86**	2.16
	Interest income	**(708.50)**	(912.50)
	Dividend income	**(177.81)**	(423.46)
	Impairment loss recognised on trade receivables	**-**	2,100.00
	Depreciation and amortisation of non-current assets	**5,479.55**	6,053.37
	Net (Gain)/Loss on disposal of property, plant and equipment	**62.96**	41.13
	Net foreign exchange (gain)/loss	**(228.97)**	217.22
	Net Gain on sale of investment	**(363.79)**	-
	Net Gain on Investments carried at FVTPL	**(1,229.39)**	(9.46)
	Equity-settled share-based payments	**272.06**	350.98
		3,110.97	7,419.44
	Operating profit before working capital changes	**23,826.29**	27,513.90
	Movements in working capital:		
	Increase in trade and other receivables	**(3,911.28)**	(16,940.45)
	Increase in inventories	**(40.10)**	(4.42)
	Increase / (Decrease) in trade and other payables	**607.25**	(222.27)
	Increase in provisions	**25.79**	331.74
	Increase in deferred revenue	**19,367.93**	21,408.11
	Increase in other liabilities	**867.78**	1,315.16
		16,917.37	5,887.87
	Cash generated from operations	**40,743.66**	33,401.77
	Income taxes paid	**(7,561.49)**	(6,821.23)
	NET CASH GENERATED FROM OPERATING ACTIVITIES	**33,182.17**	26,580.54
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Interest received	**334.81**	912.50
	Dividend income	**177.81**	423.46
	Repayments by related parties	**2,322.30**	1,839.08
	Placement of deposits	**(2,000.00)**	-
	Payments for property, plant and equipment	**(7,821.04)**	(7,307.56)
	Proceeds from disposal of property, plant and equipment	**13.36**	28.99
	Proceeds from disposal of investment	**45,155.92**	1,500.94
	Investment in subsidiary	**(1,532.14)**	-
	Purchase of investment	**(78,150.00)**	(5,723.46)
	NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	**(41,498.98)**	(8,326.05)

All amounts are in INR Lacs unless otherwise stated

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of equity share capital	**585.60**	-
Proceeds from borrowings	**7,348.90**	-
Repayment of borrowings	**(7,348.90)**	-
Dividends paid to owners of the Company	**(5,346.03)**	(5,340.14)
Interest paid	**(4.86)**	(2.16)
NET CASH (USED IN) /GENERATED FROM FINANCING ACTIVITIES	**(4,765.29)**	(5,342.30)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(13,082.10)**	12,912.19
Cash and cash equivalents at the beginning of the year	**15,470.53**	2,558.34
Cash and cash equivalents at the end of the year (Refer note no 15)	**2,388.43**	15,470.53

See accompanying notes to the financial statements

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399

Place: Mumbai
Date: May 08, 2018

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Akhila Balachandar
Chief Financial Officer

Place: Mumbai
Date: May 08, 2018

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Statement of Changes in Equity

All amounts are in INR Lacs unless otherwise stated

Particulars	Share Capital	Reserves and Surplus						Other Comprehensive Income	Total
	Equity Share Capital	Capital Reserve	Securities Premium Reserve	General Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Retained Earnings	Acturial Gain / (Loss)	
Balance at the beginning of the reporting year - April 1, 2017	8,823.45	44.75	13,805.69	10,384.36	845.39	145.80	33,406.01	(13.03)	67,442.42
Profit for the year	-	-	-	-	-	-	13,435.87	-	13,435.87
Additions during the year	-	-	-	-	272.06	-	-	-	272.06
Bonus Issue	4,415.52	-	(4,415.52)	-	-	-	-	-	0.00
Capitalisation of Share Issue Expenses	-	-	(37.49)	-	-	-	-	-	(37.49)
Fresh Issue of shares	24.50	-	561.10	-	-	-	-	-	585.60
Issue of shares by ESOP Trust	12.48	-	153.90	(2.68)	-	-	-	-	163.70
OCI component of actuarial gains/(losses) (Net of Taxes)	-	-	-	-	-	-	-	(71.57)	(71.57)
Dividends	-	-	-	-	-	-	(5,346.03)	-	(5,346.03)
Transfer to General reserve	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting year - March 31,2018	13,275.95	44.75	10,067.68	10,381.68	1,117.45	145.80	41,495.85	(84.60)	76,444.56

Particulars	Share Capital	Reserves and Surplus						Other Comprehensive Income	Total
	Equity Share Capital	Capital Reserve	Securities Premium Reserve	General Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Retained Earnings	Acturial Gain / (Loss)	
Balance at the beginning of the reporting year - April 1, 2016	8,805.84	44.75	13,504.51	8,890.18	494.41	145.80	27,183.55	(10.10)	59,058.94
Profit for the year	-	-	-	-	-	-	13,065.20	-	13,065.20
Additions during the year	17.61	-	301.18	(5.82)	350.98	-	-	-	663.95
OCI component of actuarial gains/(losses)	-	-	-	-	-	-	-	(2.93)	(2.93)
Dividends	-	-	-	-	-	-	(5,342.74)	-	(5,342.74)
Transfer to General reserve	-	-	-	1,500.00	-	-	(1,500.00)	-	-
Balance at the end of the reporting year - March 31, 2017	8,823.45	44.75	13,805.69	10,384.36	845.39	145.80	33,406.01	(13.03)	67,442.42

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399

Place: Mumbai
Date: May 08, 2018

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Akhila Balachandar
Chief Financial Officer

Place: Mumbai
Date: May 08, 2018

1 Corporate Information

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

2 Significant Accounting Policies

(i) 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.

(ii) Basis of preparation and presentation:

The financial statements of the Company have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

All amounts have been rounded off to the nearest Lacs, unless stated otherwise.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

(iii) Revenue recognition:

a. Revenue from sale of Vacation Ownership

The Company's business is to sell Vacation ownership and provide holiday facilities to members for a specified period each year, over a number of years, for which membership fee is collected either in full upfront, or on a deferred payment basis.

Revenue from Membership fees

Admission fee is recognized as income on admission of a member. Admission fee collected is non refundable.

Entitlement fee, which entitles the members the vacation ownership facilities over the agreed membership period, is recognized as income equally over the tenure of membership (33 years / 25 years / 10 years or any other tenure applicable to the respective member), commencing from the year of admission of each member. Entitlement fees which will be recognised in future periods are disclosed under Other Liabilities – Deferred revenue – Entitlement fee.

Revenue from Annual subscription fees

Annual subscription fee dues from members are recognized as income on accrual basis and fees pertaining to the period beyond the date of the Balance Sheet is grouped under Other liabilities - Deferred revenue – Annual subscription fee.

Interest income on deferred payment plans

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the agreed rates.

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue with respect to installments/contracts where there is an uncertainty about collectability is deferred at inception (even

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

though the membership is not cancelled). The estimation of such revenues doubtful of recovery has been made by the Company based on past trends of year-wise cancellation of memberships and considering factors impacting future collections.

b. Income from resorts include income from room rentals, food and beverages, etc. and is recognized when services are rendered.

c. Interest income from other financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

d. Securitised receivables are de-recognised as the contractual rights therein are transferred to the third party. On de-recognition, the excess of consideration received over the principal amounts of receivable from members (net of reversals in respect of cancelled members) is recognised as income from Securitisation. No such transactions have been entered subsequent to 1st April, 2016, warranting a different treatment under Ind AS.

e. Dividend income from investments is recognized when the shareholder's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

(iv) Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Rental expense pertaining to properties taken on operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are accrued.

(v) Foreign currencies:

The financial statements of the Company are presented in Indian Rupees (INR), which is the Company's functional currency. In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Under previous GAAP, paragraph 46A of AS 11, The Effects of Changes in Foreign Exchange Rates, provided an accounting treatment to Companies with respect to exchange differences arising on restatement of long-term foreign currency monetary items. Exchange differences in respect of items other than those related to acquisition of depreciable assets, could be accumulated in a foreign currency monetary item translation difference account ('FCMITDR'), and amortised over the balance period of such long term monetary item or upto 31st March, 2020, whichever is earlier. Ind AS provides an option to Company to continue the above accounting treatment in respect of long term foreign currency items recognised in the financial statements for the period ending immediately before the beginning of the first Ind As reporting period. The Company has elected this option.

(vi) Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred.

(vii) Employee benefits:

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

Defined contribution plans:

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans:

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out by an independent actuary at the end of each reporting period. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Curtailment gains and losses are accounted for as past service costs. Past service cost is recognized in profit or loss in the period of a plan amendment.

The obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflow expected to be made by the Company in respect of services provided by employees upto the reporting date.

(viii) Share based payment arrangements

Equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 20.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

(ix) Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred taxes are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on the tax rates and the tax laws enacted or substantively enacted as at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively

(x) Property, plant and equipment:

Land and buildings held for use in the supply or production of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

PPE in the course of construction for supply, production or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees, other directly attributable expenses and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Category of Asset	Estimated useful lives
Leasehold Building	Period of lease
Buildings (other than those mentioned below)	30 - 60 years
Floating cottages (grouped under buildings)	25 years
Plant & equipment	5 - 10 years
Furniture and Fixtures (other than those mentioned below)	5 - 10 years
Furniture and Fixtures (in Club Mahindra Holiday World)	3 years
Vehicles (other than those mentioned below)	8 years
Motor vehicles/other assets provided to employees	4/5 years
Office equipment	5 years

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(xi) Intangible assets:

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

Category of Asset	Estimated useful lives
Computer Software and website development cost	3 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

(xii) Impairment of tangible and intangible assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(xiii) Inventories:

Inventories are carried at the lower of cost and net realizable value. Costs of inventories are determined on moving weighted average basis. Cost includes the purchase price, non-refundable taxes and delivery handling cost. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(xiv) Provisions:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(xv) Financial instruments:

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in 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.

(xvi) Financial assets:

A financial asset is any asset that is:

(a) cash;

(b) an equity instrument of another entity;

(c) a contractual right:

(i) to receive cash or another financial asset from another entity; or

(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the Company; or

(d) a contract that will or may be settled in the Company's own equity instruments and is:

(i) a non-derivative for which the Company is or may be obliged to receive a variable number of the entity's own equity instruments; or

(ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments.

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt

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

the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments (except for debt instruments that are designated as at FVTPL on initial recognition) that meet the following conditions are subsequently measured at "fair value through other comprehensive income (FVTOCI)":

the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Interest income is recognized in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

A debt instrument that meets the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Debt instruments classified as FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The Company has not designated any debt instrument as at FVTPL.

Equity

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Equity instruments at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend earned on the financial asset and is included under 'Other income'. Dividend on financial assets at FVTPL is recognized when the Company's right to receive the dividends is established and the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Investments in equity instruments of subsidiaries, joint ventures and associates are measured at cost.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, and other contractual rights to receive cash or other financial asset not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses considering the nature of industry and the deferred payment schemes operated.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

Foreign exchange gains and losses on financial assets

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognized in profit or loss.

Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in other comprehensive income.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income.

(xvii) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

A financial liability is any liability that is:

(a) a contractual obligation :

(i) to deliver cash or another financial asset to another entity; or

(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or

(b) a contract that will or may be settled in the Company's own equity instruments and is:

(i) a non-derivative for which the Company is or may be obliged to deliver a variable number of the Company's own equity instruments; or

(ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the Company offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Apart from the aforesaid, the equity conversion option embedded in a convertible bond denominated in foreign currency to acquire a fixed number of the Company's own equity instruments is an equity instrument if the exercise price is fixed in any currency.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

a) it has been incurred principally for the purpose of repurchasing it in the near term; or

b) on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

c) it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

b) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or

c) it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' / 'Other expenses' line item as appropriate.

However, for financial liabilities not held-for-trading that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognized in profit or loss. The remaining amount of change in the fair value of liability is always recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognized in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included under 'Finance costs'.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized.

Foreign exchange gains and losses on financial liabilities

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains are determined based on the amortised cost of the instruments and are recognized in "Other income" and losses are recognised in "Finance Cost" to the extent it is related to borrowings.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in statement of profit and loss.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in statement of profit and loss.

(xviii) Cash flow statements:

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

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

(xix) Earnings per share:

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

(xx) **Insurance Claims:**

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

(xxi) **Operating cycle:**

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

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below :

a. **Share based payments**

The entity initially measures the cost of equity settled transactions with employees using the Black Scholes model to determine the fair value of the options granted. Estimating the fair value of the share options granted require determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating the fair value for the share based payment transactions are disclosed in Note 20.

b. **Defined benefit plans (gratuity)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about the gratuity obligation are disclosed in Note 38.

c. **Intangible assets under development**

The Company capitalizes intangibles underdevelopment in accordance with the accounting policy. Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed.

d. **Life time Expected credit losses**

Life time expected credit loss allowance is computed based on historical credit loss experience and adjusted for forward-looking information on collection .

e. **Estimation towards revenue deferred at inception**

The quantum of revenue deferred at inception is computed based on past trends of year-wise cancellation of memberships and considering factors impacting future collections.

f. **Significant financing component**

Given the nature of vacation ownership business, the Company has determined that membership fee does not include a significant financing component. Where the payment is received in installments, the Company charges appropriate interest to the members.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 4 - Property Plant and Equipment:

Description of Assets	Land - Freehold	Buildings - Freehold	Buildings - Leasehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block								
Balance as at 1st April, 2017	16,120.55	64,081.61	156.09	21,946.45	2,382.12	15,175.39	1,126.59	120,988.80
Additions	536.78	208.60	-	679.24	80.30	86.37	109.92	1,701.21
Disposals	-	(53.75)	-	(85.68)	(14.13)	(5.98)	(33.95)	(193.49)
Others (reclassification)	-	-	-	(7.16)	(37.07)	44.23	-	-
Balance as at 31st March, 2018	**16,657.33**	**64,236.46**	**156.09**	**22,532.85**	**2,411.22**	**15,300.01**	**1,202.56**	**122,496.52**
II. Accumulated depreciation								
Balance as at 1st April, 2017	-	7,752.99	156.09	12,126.57	1,999.78	10,573.46	518.19	33,127.08
Depreciation expense for the year	-	1,283.95	-	1,950.38	159.67	1,112.93	128.09	4,635.02
Eliminated on disposal of assets	-	(3.78)	-	(71.99)	(13.43)	(5.97)	(22.00)	(117.17)
Others (reclassification)	-	-	-	(0.80)	-	0.80	-	-
Balance as at 31st March, 2018	**-**	**9,033.16**	**156.09**	**14,004.16**	**2,146.02**	**11,681.22**	**624.28**	**37,644.93**
Net block (I-II)								
Balance as at 31st March, 2018	**16,657.33**	**55,203.30**	**-**	**8,528.69**	**265.20**	**3,618.79**	**578.28**	**84,851.59**
Balance as at 31st March, 2017	16,120.55	56,328.62	-	9,819.88	382.34	4,601.93	608.40	87,861.72

Description of Assets	Land - Freehold	Buildings - Freehold	Buildings - Leasehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block								
Balance as at 1st April, 2016	15,681.68	63,789.27	156.09	20,787.97	2,289.98	15,162.18	1,101.17	118,968.34
Additions	438.87	455.76	-	1,539.55	122.61	224.74	99.96	2,881.49
Disposals	-	(157.46)	-	(363.71)	(40.98)	(223.99)	(74.89)	(861.03)
Others (reclassification)	-	(5.96)	-	(17.36)	10.51	12.46	0.35	-
Balance as at 31 March, 2017	**16,120.55**	**64,081.61**	**156.09**	**21,946.45**	**2,382.12**	**15,175.39**	**1,126.59**	**120,988.80**
II. Accumulated depreciation								
Balance as at 1st April, 2016	-	6,625.72	113.30	10,376.59	1,861.47	9,381.87	448.45	28,807.40
Depreciation expense for the year	-	1,266.27	42.79	2,091.32	172.71	1,405.23	132.27	5,110.59
Eliminated on disposal of assets	-	(138.08)	-	(329.47)	(40.82)	(219.88)	(62.66)	(790.91)
Others (reclassification)	-	(0.92)	-	(11.87)	6.42	6.24	0.13	-
Balance as at 31 March, 2017	**-**	**7,752.99**	**156.09**	**12,126.57**	**1,999.78**	**10,573.46**	**518.19**	**33,127.08**
Net block (I-II)								
Balance as at 31st March, 2017	**16,120.55**	**56,328.62**	**-**	**9,819.88**	**382.34**	**4,601.93**	**608.40**	**87,861.72**
Balance as at 31st March, 2016	15,681.68	57,163.55	42.79	10,411.38	428.51	5,780.31	652.72	90,160.94

All amounts are in INR Lacs unless otherwise stated

Note No. 5 - Other Intangible Assets

Description of Assets	Computer Software & Website development cost	Total
I. Gross Block		
Balance as at 1 April, 2017	6,781.19	6,781.19
Additions	224.78	224.78
Balance as at 31 March, 2018	**7,005.97**	**7,005.97**
II. Accumulated depreciation		
Balance as at 1 April, 2017	5,180.18	5,180.18
Amortisation expense for the year	844.53	844.53
Balance as at 31 March, 2018	**6,024.71**	**6,024.71**
Net block (I-II)		
Balance as at 31st March, 2018	**981.26**	**981.26**
Balance as at 31st March, 2017	1,601.01	1,601.01

Description of Assets	Computer Software & Website development cost	Total
I. Gross Block		
Balance as at 1 April, 2016	5,863.24	5,863.24
Additions	917.95	917.95
Balance as at 31 March, 2017	**6,781.19**	**6,781.19**
II. Accumulated depreciation		
Balance as at 1 April, 2016	4,237.40	4,237.40
Amortisation expense for the year	942.78	942.78
Balance as at 31 March, 2017	**5,180.18**	**5,180.18**
Net block (I-II)		
Balance as at 31st March, 2017	**1,601.01**	**1,601.01**
Balance as at 31st March, 2016	1,625.84	1,625.84

Note No. 6 - Non Current Investment:

Particulars	Face value	Currency	As At March 31, 2018		As At March 31, 2017	
			Quantity	Amount	Quantity	Amount
Unquoted Investments at Cost (fully paid)						
In Equity Instruments of Subsidiaries						
Heritage Bird (M) Sdn. Bhd.	1	MYR	**300,002**	**40.27**	300,002	40.27
Mahindra Hotels and Residences India Ltd.	10	INR	**49,994**	**5.00**	49,994	5.00
Gables Promoters Private Limited	10	INR	**65,000,000**	**6,543.78**	49,678,600	5,011.64
MH Boutique Hospitality Limited	100	THB	**49,000**	**95.38**	49,000	95.38
Infinity Hospitality Group Company Limited	100	THB	**734,850**	**2,681.11**	734,850	2,681.11
MHR Holdings (Mauritius) Limited	1	EUR	**145,000**	**115.10**	145,000	115.10
Arabian Dreams Hotel Apartments LLC	100	AED	**147**	**52.11**	147	52.11
				9,532.75		8,000.61

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 6 - Non Current Investment: (contd.)

Particulars	Face value	Currency	As At March 31, 2018		As At March 31, 2017	
			Quantity	Amount	Quantity	Amount
Unquoted Investments at FVTPL (fully paid)						
In Equity Instruments of other entities						
Mahindra World City Developers Ltd.	10	INR	**1**	**0.00**	1	0.00
Mahindra Hotels and Resorts Limited (cost of investment ₹ 1/-)	10	INR	**20,011**	**0.00**	20,011	0.00
Nreach Online Services Private Limited	10	INR	**5,738**	**300.00**	5,738	300.00
In Preference Instruments of other entities						
Guestline Hospitality Management and Development Services Limited (25,000 7% non-cumulative redeemable participating optionally convertible preference shares of ₹ 10/- each)	10	INR	**25,000**	**73.18**	25,000	65.59
				373.18		365.59
Aggregate Book Value of Unquoted Investments				**9,905.93**		8,366.20

Notes:

a) The preference shares of Guestline Hospitality Management and Developmnent Services Limited can be redeemed at par at the option of the investee at any time after five years but before twenty years from the date of allotment viz. 14.01.2003 or at the option of the holder be convertibble into fully paid equity shares of the face value of ₹ 10 each anytime after thirty six months from the date of allotment.

b) During the year 15,321,400 (Previous Year NIL) equity shares of ₹ 10 each were alloted at par by Gables Promoters Private Limited.

Note No. 7 - Non-Current Trade Receivables (Unsecured)

Particulars	As at March 31, 2018	As at March 31, 2017
Considered good	**46,396.43**	49,443.33
	46,396.43	49,443.33

Note No. 8 - Non-Current Loans (Unsecured, Considered good)

Particulars	As at March 31, 2018	As at March 31, 2017
Security Deposits	**4,275.54**	3,744.54
Loans to related parties (refer note no 46)	**7.40**	7.40
	4,282.94	3,751.94

Note No. 9 - Other Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017
Financial assets at amortised cost		
Guarantee commission receivable from related parties (refer note no 46)	**1,392.79**	1,075.59
Bank deposit with more than 12 months maturity	**-**	167.53
Other Deposits	**1,509.44**	-
	2,902.23	1,243.12

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 10 - Deferred Tax Assets

Particulars	As at March 31, 2018	As at March 31, 2017
Tax effect of items constituting deferred tax liabilities		
Property, Plant and Equipment	**7,802.43**	7,519.89
Fair valuation of financial assets	**437.39**	14.55
Tax effect of items constituting deferred tax assets		
Employee Benefits	**339.24**	353.39
Receivables / Revenue derecognition	**9,220.49**	9,220.49
Fair valuation of financial assets	**28.32**	29.36
Net Tax Asset	**1,348.23**	2,068.80

Note No. 11(a) - Other Non-Current Tax Assets

Particulars	As at March 31, 2018	As at March 31, 2017
Advance Income tax (Net of provisions up to the reporting date)	**11,780.37**	10,777.76
	11,780.37	10,777.76

Note No. 11(b) - Other Non-Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017
Capital Advances	**2,627.73**	1,182.67
Prepayments	**378.00**	489.45
Duty paid under protests	**527.60**	496.53
	3,533.33	2,168.65

Note No. 12 - Inventories (At lower of cost and net realisable value)

Particulars	As at March 31, 2018	As at March 31, 2017
Food and beverages	**96.43**	107.61
Operating supplies	**537.06**	485.78
	633.49	593.39
Cost of food and beverages recognised as an expense during the year (Refer Note 33)	**3,466.18**	3,419.02

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 13 - Current Investments :

Particulars	As At March 31, 2018		As At March 31, 2017	
	Units	Amount	Units	Amount
Unquoted Investments at FVTPL (all fully paid)				
Investments in Mutual Funds				
HDFC Banking and PSU Debt Fund Direct Growth	**18,838,283**	**2,672.89**	-	-
HDFC Banking and PSU Debt Fund Regular Growth	**18,990,195**	**2,669.74**	-	-
ICICI Prudential Short Term Growth Option	**6,692,666**	**2,422.42**	-	-
ICICI Prudential Short Term Direct Growth Option	**3,892,551**	**1,459.06**		
ICICI Prudential Income Opportunities Fund Reg Growth	**902,786**	**219.08**	-	-
ICICI Prudential Income Opportunities Fund Direct Plan Growth	**2,336,349**	**578.16**	-	-
IDFC Corporate Bond Fund Regular Plan Growth	**14,043,341**	**1,669.50**	-	-
IDFC Corporate Bond Fund Direct Plan Growth	**34,982,465**	**4,187.51**	-	-
Birla Sun Life Floating Rate Fund-Long Term Plan Growth	**966,662**	**2,056.67**	-	-
Birla Sun Life Floating Rate Fund-Long Term Plan Growth Direct	**948,356**	**2,042.06**	-	-
HDFC Floating Rate Income Fund Short Term Plan Wholesale Growth	**6,936,919**	**2,097.97**	-	-
HDFC Floating Rate Income Fund Short Term Plan Wholesale Direct Plan Growth	**6,696,488**	**2,034.55**		
ICICI Prudential Flexible Income Growth	**269,270**	**897.03**	-	-
ICICI Prudential Flexible Income Growth Direct	**609,780**	**2,042.11**	-	-
Mahindra Liquid Fund - Dir - Growth	**694,854**	**7,812.70**	-	-
ICICI Prudential Flexible Income Plan - Reg - Dly Dividend	**1,286,302**	**1,360.08**	-	-
Kotak Treasury Advantage Fund Regular Plan Growth	**7,506,213**	**2,086.25**	-	-
Kotak Treasury Advantage Fund Regular Direct Plan Growth	**7,202,341**	**2,033.26**		
UTI Treasury Advantage fund Insitutional Growth	**87,167**	**2,087.74**	-	-
UTI Treasury Advantage fund Direct Institutional Plan Growth	**84,522**	**2,039.98**	-	-
Franklin India Ultra Short Bond Fund - Super IP - Dly Dividend	**-**	**-**	2,575,089	259.62
Birla Sun Life Floating Rate Fund - STP - Reg - Dly Dividend	**-**	**-**	631,766	631.89
HDFC Liquid Fund - Dly Dividend	**-**	**-**	113,415	1,156.62
ICICI Prudential Liquid - Reg - Dly Dividend	**-**	**-**	420,481	420.90
Kotak Floater - ST - Reg - Dly Dividend	**-**	**-**	114,441	1,157.71
Tata Liquid Fund - Reg - Dly Dividend	**-**	**-**	37,360	416.38
Tata Money Market Fund - Reg - Dly Dividend	**-**	**-**	73,535	736.46
Tata Floater Fund - Reg - Dly Dividend	**-**	**-**	103,469	1,038.34
HDFC F R I F - STF - WP - Daily Dividend	**-**	**-**	12,879,068	1,298.33
ICICI Prudential Flexible Income Plan - Reg - Dly Dividend	**-**	**-**	1,229,352	1,299.87
IDFC Ultra Short Term Fund - Reg - Dly Dividend	**-**	**-**	2,565,783	258.40
Kotak Treasury Advantage Fund - Dly Dividend	**-**	**-**	10,285,597	1,036.77
Aggregate book value of unquoted investments	**133,967,510**	**44,468.76**	31,029,355	9,711.29

All amounts are in INR Lacs unless otherwise stated

Note No. 14 - Trade Receivables (Unsecured)

Particulars	As at March 31, 2018	As at March 31, 2017
Considered good	**96,999.59**	90,134.28
Doubtful	**3,173.41**	7,799.55
Less: Allowance for Credit Losses	**(3,173.41)**	(7,799.55)
	96,999.59	90,134.28

Note No. 15 - Cash and Cash Equivalents

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks	**1,574.43**	1,503.73
Cash on hand	**63.88**	66.80
Bank Deposits with less than 3 months original maturity	**750.12**	13,900.00
	2,388.43	15,470.53

Note No. 16 - Other Bank Balances

Particulars	As at March 31, 2018	As at March 31, 2017
Earmarked balances with banks (Unpaid Dividend)	**6.86**	6.01
Bank Deposits maturity greater than three months and less than twelve months	**99.72**	1,308.09
	106.58	1,314.10

Note No. 17 - Loans (Unsecured, Considered good)

Particulars	As at March 31, 2018	As at March 31, 2017
Loans to related parties (refer note no 46)	**2,762.35**	4,888.76
Loans and advances to employees	**38.28**	22.37
	2,800.63	4,911.13

Note No. 18 - Other Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017
Financial assets at amortised cost		
Insurance claims receivable	**3.86**	-
Other receivables from related parties (refer note no 46)	**400.63**	0.10
Other Deposits	**503.66**	-
	908.15	0.10

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 19 - Other Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017
With Government authorities (excludng income taxes)	**1,959.43**	47.32
Prepayments	**1,014.29**	1,384.25
Advance to suppliers:		
Considered good *	**574.22**	1,620.69
Considered doubtful	**250.00**	250.00
Less: Provision for doubtful advances	**(250.00)**	(250.00)
	3,547.94	3,052.26

* Includes advances given to related parties - ₹ 250 lacs

Note No. 20 - Equity Share Capital :

Particulars	As At March 31, 2018		As At March 31, 2017	
	No. of Shares	Amount	No. of Shares	Amount
Authorised:				
Equity shares of ₹ 10 each with voting rights	**150,000,000**	**15,000.00**	100,000,000	10,000.00
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	**133,443,784**	**13,344.38**	88,780,856	8,878.09
Treasury Shares (par value)	**(684,290)**	**(68.43)**	(546,360)	(54.64)
	132,759,494	**13,275.95**	88,234,496	8,823.45

Treasury shares represents equity shares of ₹ 10/- each fully paid up, allotted to Mahindra Holidays and Resorts India Limited Employees' Stock Option Trust ('ESOP Trust') but not exercised by employees.

20 a) Terms / rights attached to equity shares:

i) The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity share is entitled to one vote per share.

ii) The dividends proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

iii) For the year ended March 31, 2018, the amount of dividend proposed to be distributed to equity shareholders is ₹ 5,337.75 lacs at ₹ 4 per share (Previous year ₹ 4,441.79 lacs at ₹ 5 per share).

iv) Repayment of capital will be in proportion to the number of equity shares held.

20 b) Shares in the Company held by Holding Company

Name of shareholder	No. of shares	% held as at 31-Mar-18	No. of shares	% held as at 31-Mar-17
Mahindra & Mahindra Limited (Holding Company)	**89,890,615**	**67.36%**	59,927,077	67.50%

20 c) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	No. of shares	% held as at 31-Mar-18	No. of shares	% held as at 31-Mar-17
Mahindra & Mahindra Limited	**89,890,615**	**67.36%**	59,927,077	67.50%
HDFC Trustee Company	**7,193,250**	**5.39%**	4,758,654	5.36%

All amounts are in INR Lacs unless otherwise stated

Note No. 20 - Equity Share Capital : (Contd.)

20 d) The reconciliation of the number of shares outstanding as at March 31, 2018 and March 31, 2017 is set out below:-

Particulars	As at 31-Mar-18			As at 31-Mar-17	
	No. of Shares	In ₹ Lacs		No. of Shares	In ₹ Lacs
Number of shares at the beginning	**88,234,496**	**8,823.45**		88,058,418	8,805.84
Add: Bonus Shares issued during the year	**44,417,928**	**4,441.79**		-	-
Add: Shares issued on exercise of employee stock options	**369,771**	**36.98**		176,078	17.61
Less: Shares issued to ESOP Trust as Bonus Shares	**(262,701)**	**(26.27)**		-	-
Number of shares at the end	**132,759,494**	**13,275.95**		88,234,496	8,823.45

The Board of Directors at its meeting held on May 19, 2017 had approved issue of bonus shares in the proportion of 1:2, I.e. 1(one) bonus equity share of ₹ 10/- each for 2(two) fully paid up equity shares which was allotted on July 12, 2017 on approval being received in the shareholder's meeting.

20 e) i) Under the Employee Stock Option Scheme ("ESOS 2006") equity shares are allotted to the ESOP Trust set up by the Company. The ESOP Trust holds these shares for the benefit of the eligible employees/directors as defined under the scheme and transfers these shares to them as per the recommendation of the remuneration committee.

ii) The Company formulated the Employee Stock Option Scheme ("ESOS 2014"), under which the Company has the option to issue and allot the shares either directly to the eligible employees/directors or through the ESOP Trust. To the extent allotted, ESOP Trust would hold these shares for the benefit of the eligible Employees/Directors as defined under the scheme and would transfer the shares to them as per the recommendation of the remuneration committee.

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 20 - Equity Share Capital : (Contd.)

Particulars	Date of Grant	Original Exercise price (in ₹)	Adjusted Exercise Price upon issue of Bonus shares	Average Exercise Price (in ₹)	Vesting period (in Yrs)	No. of options granted	Contractual life	Vesting condition	No. of options exercisable in each tranche
Grant I (ESOS 2006)	15/07/2006	16.00	N.A.	6.00	5	759,325	6 yrs from the date of grant	refer note (a) below	Minimum of 25 and a maximum of all the options vested but not exercised till that date.
Grant II (ESOS 2006)	30/03/2007	52.00	N.A.	19.50	4	122,235	5 yrs from the date of each vesting	25% each on expiry of 12,24,36 and 48 months from the date of grant.	
Grant III (ESOS 2006)	11/01/2007	52.00	N.A.	19.50	4	56,700			
Grant V (ESOS 2006)**	11/01/2008	52.00	34.67	52.00	4	261,590			
Grant VI (ESOS 2006) #	21/02/2012	370.00	N.A.	370.00	4	400,000			
Grant VII (ESOS 2006) ##	21/02/2012	323.00	215.33	-	4	186,500			
Grant VIII (ESOS 2006)**	31/01/2013	323.00	215.33	323.00	4	130,000			
Grant IX (ESOS 2006)**	29/01/2014	253.00	N.A.	253.00	4	35,000			
Grant I (ESOS 2014)	22/01/2015	264.00	176.00	-	4	620,000			refer note (b) below
Grant II (ESOS 2014) **	27/10/2015	365.00	243.33	-	4	110,000			
Grant III (ESOS 2014)	18/02/2016	370.00	246.67	-	4	200,000			
Grant IV (ESOS 2014)	31/01/2017	406.00	270.67	-	4	80,000			
Grant V (ESOS 2014)	02/08/2017	410.00	N.A.	-	4	60,000			

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

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

iv) Summary of Stock options (including bonus shares)

Particulars	Date of Grant	Options outstanding as on 1.4.2017	Options granted during the year	Options augmented upon issue of Bonus shares	Options vested during the year	Options exercised during the year	Options lapsed during the year	Options outstanding as on 31.03.2018	Options vested but not exercised
Grant I (ESOS 2006)	15/07/2006	Closed							
Grant II (ESOS 2006)	30/03/2007	Closed							
Grant III (ESOS 2006)	11/01/2007	Closed							
Grant V (ESOS 2006)**	11/01/2008	3,601	-	1,320	-	958	3,963	-	-
Grant VI (ESOS 2006) #	21/02/2012	17,000	-	-	-	17,000	-	-	-
Grant VII (ESOS 2006) ##	21/02/2012	94,250	-	47,125	-	65,813	-	75,562	75,562
Grant VIII (ESOS 2006)**	31/01/2013	121,000	-	59,000	-	26,000	-	154,000	154,000
Grant IX (ESOS 2006)**	29/01/2014	Closed							
Grant I (ESOS 2014)	22/01/2015	605,000	-	300,000	225,000	120,000	75,000	710,000	560,000
Grant II (ESOS 2014) **	27/10/2015	110,000	-	55,000	41,250	-	-	165,000	82,500
Grant III (ESOS 2014)	18/02/2016	200,000	-	75,000	75,000	125,000	-	150,000	-
Grant IV (ESOS 2014)**	31/01/2017	80,000	-	40,000	30,000	15,000	45,000	60,000	-
Grant V (ESOS 2014)**	02/08/2017	-	60,000	-	-	-	-	60,000	-
Total		**1,230,851**	**60,000**	**577,445**	**371,250**	**369,771**	**123,963**	**1,374,562**	**872,062**

** Issued out of lapsed options.

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

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

The fair value of options as certified by independent valuer as of the respective dates of grant i.e. 21st February 2012 is ₹ 113.81 for Grant VI (ESOS 2006), ₹129.93 for Grant VII (ESOS 2006), 31st January 2013 is ₹ 94.43 for Grant VIII (ESOS 2006), 29th January 2014 is ₹ 83.75 for Grant IX (ESOS 2006), 22nd January 2015 is ₹ 97.24 for Grant I (ESOS 2014), 27th October 2015 is ₹ 158.85 for Grant II (ESOS 2014), 18th February 2016 is ₹ 126.91 for Grant III (ESOS 2014), 31st January 2017 is ₹ 150.35 for Grant IV (ESOS 2014) and 2nd August 2017 is ₹ 161.83 for Grant V (ESOS 2014).

All amounts are in INR Lacs unless otherwise stated

Note No. 20 - Equity Share Capital : (Contd.)

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

Grant details	Grant Date	Risk free interest rate	Expected life	Expected volatility	Expected dividend yield
Grant VI & VII (ESOS 2006)	21/02/2012	8.00%	6.00	33%	₹ 4.00
Grant VIII (ESOS 2006)	31/01/2013	7.78%	3.50	31%	1.38%
Grant IX (ESOS 2006)	29/01/2014	8.81%	3.50	29%	1.66%
Grant I (ESOS 2014)	22/01/2015	7.74%	3.50	29%	1.48%
Grant II (ESOS 2014)	27/10/2015	7.52%	3.50	30%	1.01%
Grant III (ESOS 2014)	18/02/2016	7.51%	3.50	34%	1.15%
Grant IV (ESOS 2014)	31/01/2017	6.40%	3.50	35%	1.22%
Grant V (ESOS 2014)	02/08/2017	6.31%	3.00	45%	0.42%

The weighted average share price at the date of exercise for options was ₹ 239.96 per share (March 31, 2017 ₹ 357.42 per share) and weighted average remaining contractual life for the share options outstanding as at March 31, 2018 was 3.84 years (March 31, 2017 4.80 years)

Note No. 21 - Other Equity

Particulars	As at March 31, 2018	As at March 31, 2017
General reserve	**10,381.68**	10,384.36
Securities premium reserve	**10,067.68**	13,805.69
Share options outstanding account	**1,117.45**	845.39
Retained earnings	**41,495.85**	33,406.01
Capital reserve	**44.75**	44.75
Capital redemption reserve	**145.80**	145.80
Other Comprehensive Income-Actuarial Loss	**(84.60)**	(13.03)
	63,168.61	58,618.97

Notes :

a) **General reserve:** The general reserve is used from time to time to transfer net profits from retained earnings for appropriation purposes.

b) **Securities Premium Reserve:** Securities premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, write-off equity related expenses like share issue expenses, etc.

c) **Share Option Outstanding Account:** The Company has share option schemes under which options to subscribe the shares of the Company have been granted to certain eligible employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

d) **Capital Reserve:** Capital Reserves are mainly the reserves created during business combination for the gain on bargain purchase and common control mergers. It is not available for distribution as dividend.

e) **Capital Redemption Reserve:** The capital redemption reserve is used towards issue of fully paid bonus shares of the Company.

Note No. 22 - Other Financial Liabilities (At amortised cost)

Particulars	As at March 31, 2018	As at March 31, 2017
Retention Money	**281.69**	101.86
	281.69	101.86

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 23 - Non-Current Provisions

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits - Compensated absences	724.34	859.64
	724.34	859.64

Note No. 24 - Other Non-Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Revenue - Entitlement fee	204,424.02	187,801.25
	204,424.02	187,801.25

Note No. 25 - Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017
Trade payable for goods & services (other than Micro & Small Enterprises)	12,607.45	12,091.59
Due to Micro & Small Enterprises (Refer Note No. 44)	59.69	22.94
	12,667.14	12,114.53

Note No. 26 - Other Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Creditors for capital supplies/services	781.76	642.43
Guarantee liability	608.76	653.81
Commission payable to non-whole time directors	184.00	184.00
Unpaid Dividends *	6.84	6.01
Employee benefits payable	4,215.85	4,413.18
Other payables	1,500.74	1,280.19
	7,297.95	7,179.62

* There are no amounts due and outstanding to be transferred to Investor Education and Protection Fund as at March 31st, 2018.

Note No. 27 - Provisions

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits		
- Gratuity	82.61	15.94
- Compensated absences	255.88	161.46
	338.49	177.40

All amounts are in INR Lacs unless otherwise stated

Note No. 28(a) - Deferred Revenue

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Revenue - Entitlement fee	**12,187.12**	10,949.42
Deferred Revenue - Annual subscription fee	**12,238.79**	10,731.33
	24,425.91	21,680.75

Note No. 28(b) - Other Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Taxes (excluding income taxes) and other statutory dues	**2,172.99**	1,284.21
	2,172.99	1,284.21

Note No. 29 - Revenue from Operations

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Income from operations :		
Revenue from sale of vacation ownership*	**54,493.21**	58,327.77
Income from resorts :		
Room rentals	**4,036.02**	3,446.31
Food and beverages	**12,506.32**	11,614.91
Wine and liquor	**424.20**	373.94
Others	**3,960.24**	3,600.64
Annual subscription fee	**21,668.45**	21,007.44
	97,088.44	98,371.01
Other operating revenue :		
Interest income on installment sales	**8,829.94**	8,868.46
Miscellaneous income	**500.19**	79.01
	9,330.13	8,947.47
	106,418.57	107,318.48

* Discounts offered to customers of ₹ 2,191 lacs (Previous Year: 1,555 lacs) have been presented as a reduction from revenue.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 30 - Other income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Income on Financial Assets at Amortised Cost		
On deposits with bank	**297.43**	417.58
On loans/deposits with related parties (refer Note No. 46)	**277.58**	494.92
Others	**133.49**	159.85
Dividend Income		
Dividend income from current investments	**177.81**	423.46
Net foreign exchange gain	**228.97**	-
Net gain arising on financial assets designated as at FVTPL	**1,593.18**	9.46
Guarantee Commission from related parties (refer Note No. 46)	**292.00**	213.76
Others	**-**	1.40
	3,000.46	1,720.43

Note No. 31 - Employee Benefits Expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages, including bonus	**21,019.00**	19,488.75
Contribution to Provident and other funds	**1,347.01**	1,043.66
Equity-settled share-based payments	**272.06**	350.98
Staff welfare expenses	**1,645.98**	1,645.97
	24,284.05	22,529.36

Note No. 32 - Finance costs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest on short term borrowings	**4.86**	2.16
	4.86	2.16

All amounts are in INR Lacs unless otherwise stated

Note No. 33 - Other expenses

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
Cost of food and beverages consumed				
Opening stock	**107.61**		104.65	
Add: Purchases	**3,455.00**		3,421.98	
Less: Closing stock	**96.43**		107.61	
		3,466.18		3,419.02
Operating supplies		**3,408.97**		3,540.35
Power & Fuel		**3,629.58**		3,576.34
Rent including lease rentals		**10,641.06**		8,344.91
Rates and taxes		**579.55**		928.14
Insurance		**386.18**		258.88
Repairs and maintenance				
Buildings		**855.22**		904.27
Plant & equipment		**414.61**		371.23
Others		**2,004.88**		2,324.61
Advertisement		**968.17**		956.90
Sales promotion		**16,685.72**		18,234.64
Travelling and Conveyance		**2,455.84**		2,060.47
Commission and other customer offers		**4,220.77**		3,557.34
Provision for doubtful trade receivables		**-**		2,100.00
Net loss on foreign currency transactions		**-**		217.22
Auditors remuneration and out-of-pocket expenses				
For Statutory audit		**53.00**		53.00
For Other services		**24.22**		39.23
For reimbursement of expenses		**1.32**		0.64
Directors' fees		**48.05**		44.92
Commission to non whole time directors		**184.00**		184.00
Legal and other professional costs		**2,074.73**		2,456.89
Communication		**1,179.35**		1,194.74
Software charges		**345.67**		262.62
Service charges		**1,544.42**		2,028.00
Bank charges		**1,219.05**		1,111.00
Corporate Social Responsibility (CSR) expenditure (refer note no 41)		**340.20**		288.00
Loss on sale of property, plant and equipment (net)		**62.96**		41.13
Miscellaneous expenses		**2,141.55**		1,861.07
		58,935.25		60,359.56

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 34 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current Tax:		
In respect of current year	**6,558.88**	7,534.55
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**720.57**	(505.29)
Total income tax expense on continuing operations	**7,279.45**	7,029.26

(b) Income tax recognised in other Comprehensive income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current Tax:		
Remeasurement of defined benefit obligations	**37.87**	1.55
	37.87	1.55
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**(37.87)**	(1.55)
	(37.87)	(1.55)

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit before tax from continuing operations	**20,715.32**	20,094.46
Income tax expense calculated at 34.608%	**7,169.16**	6,954.29
Effect of income that is exempt from taxation	**(61.54)**	(146.55)
Effect of expenses that is non-deductible in determining taxable profit	**171.83**	221.52
Income tax expense recognised In profit or loss from continuing operations	**7,279.45**	7,029.26

The tax rate used for the March 31, 2018 and March 31, 2017 reconciliations above is at the corporate tax rate of 30% plus surcharges and cess (applicable rate @ 34.608%) payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 34 - Current Tax and Deferred Tax (Contd.)

(i) Movement in deferred tax balances

Particulars	For the Year ended March 31, 2018			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	(7,519.89)	(282.54)	-	(7,802.43)
Fair valuation of financial assets	(14.55)	(422.84)	-	(437.39)
	(7,534.44)	(705.38)	-	(8,239.82)
Tax effect of items constituting deferred tax assets				
Employee Benefits	353.39	(14.15)	-	339.24
Receivables / Revenue derecognition*	9,220.49	-	-	9,220.49
Fair valuation of financial assets	29.36	(1.04)	-	28.32
	9,603.24	(15.19)	-	9,588.05
Net Tax Asset / (Liabilities)	**2,068.80**	**(720.57)**	**-**	**1,348.23**

* The movement of deferred tax disclosed is after considering the trade receivables written off during the year and provision for revenue derecognition made during the year.

Particulars	For the Year ended March 31, 2017			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	(7,173.69)	(346.20)	-	(7,519.89)
Fair valuation of financial assets	(12.38)	(2.17)	-	(14.55)
	(7,186.07)	(348.37)	-	(7,534.44)
Tax effect of items constituting deferred tax assets				
Employee Benefits	228.26	125.13	-	353.39
Provision for Doubtful Debts / Advances	8,493.72	726.77	-	9,220.49
Fair valuation of financial assets	27.60	1.76	-	29.36
	8,749.58	853.66	-	9,603.24
Net Tax Asset / (Liabilities)	**1,563.51**	**505.29**	**-**	**2,068.80**

Note No. 35 - Earnings per Share:

	Year ended March 31, 2018	Year ended March 31, 2017
Basic Earnings per share		
From continuing operations	**10.14**	9.88*
Diluted Earnings per share		
From continuing operations	**10.10**	9.85*

Basic earnings per share

	Year ended March 31, 2018	Year ended March 31, 2017
Profit for the year after tax attributable to owners of the Company	**13,435.87**	13,065.20
Weighted average number of equity shares (in Lacs)	**1,325.02**	1,323.04
Earnings per share from continuing operations - Basic	**10.14**	9.88

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 35 - Earnings per Share: (Contd.)

Diluted earnings per share

	Year ended March 31, 2018	Year ended March 31, 2017
Profit for the year after tax attributable to owners of the Company	**13,435.87**	13,065.20
Weighted average number of equity shares (in Lacs)	**1,329.78**	1,327.04
Earnings per share from continuing operations - Diluted	**10.10**	9.85

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	Year ended March 31, 2018	Year ended March 31, 2017
Weighted average number of equity shares used in the calculation of Basic EPS	**1,325.02**	1,323.04
Add: Effect of ESOPs	**4.76**	4.00
Weighted average number of equity shares used in the calculation of Diluted EPS	**1,329.78**	1,327.04

* The earnings per share has been adjusted on account of issuance of bonus equity shares.

Note 36 : Leases:

The Company has taken certain properties under operating leases with varying lease terms, cancellable at the option of the Company. The future minimum lease payments are given below.

	Year ended March 31, 2018	Year ended March 31, 2017
Future minimum lease commitments		
not later than one year	**10,444.36**	4,724.83
later than one year and not later than five years	**15,911.91**	11,837.51
later than five years	**6,575.65**	2,756.05
Expenses recognised in the Statement of Profit and Loss		
- Minimum Lease Payments	**10,180.94**	7,759.66

Note No. 37 - Contingent liabilities and commitments:

Contingent liabilities (to the extent not provided for)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) **Income Tax matters:**		
Claims against the Company not acknowledged as debt (for matters disputed by the Company)		
pertaining to Revenue Recognition (timing difference *) pending before the CIT(A)/ITAT (Company appeal)	**43,693.51**	31,686.46
interest included in the above	**11,206.88**	8,603.28
pertaining to other matters (mainly timing differences *), pending before the CIT(A)/ITAT (Company appeal)	**4,450.29**	4,075.43
interest included in the above	**967.04**	896.96
Matters decided in favour of the Company, (but under appeal by the Department)		
pertaining to Revenue Recognition (timing difference *) pending before the Madras High Court (Department appeal) excluding interest	**27,140.61**	27,140.61
(b) **Service Tax matters:**		
claimed on interest on installments and other items (inclusive of penalty where quantified in demand)*	**8,760.92**	7,839.82

* For matters pertaining to timing differences, if liability were to crystallise, there would be future tax benefits, except to the extent of tax rate differences and interest, if any.

All amounts are in INR Lacs unless otherwise stated

Note No. 37 - Contingent liabilities and commitments: (Contd.)

Particulars	As at March 31, 2018	As at March 31, 2017
Notes:		
1) The above amounts are based on demands raised, which the Company is contesting with the concerned authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals. No reimbursements are expected.		
2) In respect of above matters, it is not practicable for the Company to estimate the closure of these issues and the consequential timing of cash flows if any.		
(c) Luxury Tax matters:		
In respect of certain States, the Company has received demands for payment of luxury tax for member stay at resorts as summarised below:		
Demands raised (inclusive of penalty)	**5,485.52**	1,650.37
The Company has challenged the above demands before various appellate authorities / High Court, the outcome of which is pending. For all such matters, the Company has made cumulative provisions for ₹ 577.10 lacs including ₹ 68 lacs paid during the year (Previous Year ₹ 550 lacs), on a best estimate basis.		
The above demands include demands raised by Kerala Luxury Tax authorities in respect of which the Kerala High Court (single bench) has upheld the Constitutional validity of the levy and has allowed the department to proceed with the assessment while setting aside penalty orders. The Company has filed an writ appeal before the Divisional Bench of the Kerala High Court challenging the order of the single bench. The Company had also filed SLP with the Supreme Court wherein order has been passed permitting the tax authorities to proceed with the assessments but restricted the tax authorities for making any demand pursuant to the assessment till the disposal of the appeal before the Divisional Bench of the Kerala High Court.		
The provision of ₹ 577.10 lacs (Previous Year ₹ 550 lacs) referred to above includes ₹ 438 lacs (Previous Year ₹ 421 lacs) on the account of demand raised by Kerala Tax Authorities.		
(d) Receivables Securitised:		
Certain specified receivables have been securitised prior to April 1, 2015 with a bank for availing finance. In case a member defaults in payment to the bank, the bank would have recourse to the Company.	**-**	1,112.87
(e) Guarantees given for its subsidaries:		
Amount of guarantees given (Euro)	**728.50**	681.00
Outstanding amount against guarantees (Euro)	**644.50**	624.00
Amount of guarantees given (THB)	**1,620.00**	1,620.00
Outstanding amount against guarantees (THB)	**1,550.00**	700.00
Amount of guarantees given (INR)	**62,130.41**	50,219.92
Outstanding amount against guarantees (INR)	**55,209.37**	44,536.16

(f) Other matters under appeal (Property related):

(i) The Government of Kerala through the Sub Collector, District of Devikulam issued an Order dated July 3, 2007 cancelling the assignment of land underlying the Munnar resort and directed repossession of land on the ground that it is agricultural land and cannot be used for commercial purposes. The Company had filed an appeal before the Commissioner of Land Revenue, Trivandrum against the said Order stating that the Patta issued does not specify that the land should be used only for agricultural purpose. The Commissioner of Land Revenue, Trivandrum vide his Order dated November 22, 2007 dismissed the appeal filed by the Company and cancelled the assignment of land underlying the Munnar Resort and further directed repossession of land on the ground that it is agricultural land and cannot be used for commercial purposes. The Company had filed a writ petition before the Kerala High Court against the said Order and on December 13, 2007, the Court granted an interim stay of all further proceedings.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 37 - Contingent liabilities and commitments: (Contd.)

(ii) With respect to certain claims of neighbouring property owners, the Company filed a suit in the Civil Court, Pune seeking inter-alia permanent injunction against them disturbing the possession of the Company's resort property at Lonavala, Maharashtra and obtained an ad-interim stay. In another development, notwithstanding these proceedings, the neighbouring property owner obtained an order from the local Mamlatdar's Court for alleged access to his property through the resort property. The Company obtained a stay against the said order of the Mamlatdar. All matters with respect to the neighbouring property owner are currently pending before the Civil Court, Pune. Further, on account of the cancellation of the Non-Agricultural land conversion order by the Collector, Pune on the basis of complaint made by the said neighbouring owner and subsequently confirmed by the Additional Divisional Commissioner, Pune, the Company has also filed another Civil Suit at Civil Court, Pune against State of Maharashtra and Others, inter alia, seeking declaration that the proceedings and Orders in respect of cancellation of the NA status of the land underlying the resort property at Lonavala are not enforceable and also sought other reliefs. Ad-interim stay has been granted against State of Maharashtra and the Collector,Pune not to give effect to the Orders of NA cancellation and the matter is pending for further hearing.

(g) Other matters:

(i) The Company engaged a building contractor for construction of a resort. As the construction did not proceed as per agreed timelines the Company terminated the contract. The contractor has claimed ₹ 1,256.15 lacs as damages for termination of the Contract. The Company has made a counter claim of ₹ 2,003.56 lacs towards liquidated damages and other losses. The matter is pending before the Arbitrator.

(ii) The Regional Provident Fund Commissioner, Chennai had issued Summons initiating proceedings under Section 7A of the Employees Provident Fund Act for failing to remit contributions on allowances relating to employees for the period from March 2011 to February 2013 in respect of Indian employees and from April 2010 to February 2013 in respect of international employees. The PF Authorities have made a claim of ₹ 189.93 lacs. The Company has filed a Writ Petition No 2408/2014 before the Madras High Court and the Court has granted an Interim stay of the above proceedings.

(iii) The Company had acquired the entire shareholding of erstwhile Holiday on Hill Resort Private Limited (erstwhile subsidiary) in the year 2012 and subsequently it was amalgamated with the Company. In the year 2013, a Show Cause Notice was issued by the Collector, Solan to the erstwhile subsidiary under the provisions of Section 118 of HP Tenancy and Land Reforms Act, 1972 (the Act) alleging that the sale by the erstwhile subsidiary had in violation of the provisions of the Act and has required the erstwhile subsidiary to show cause why the said land should not be confiscated. The erstwhile subsidiary had responded to said show cause notice, inter alia, submitting that it has not violated any provisions of the Act in as much as the Company has acquired only the shareholdings of the erstwhile subsidiary from its shareholders and no property has been sold to the Company. The matter has been disposed off by an Order dated 12th December, 2017 passed by the Financial Contoller (Appeals), HP, Shimla in Revision Application preferred by the Company.

(h) With respect to member complaints pending before various consumer fora and other matters: Estimated amount of claims ₹ 493.93 lacs (As at March 31, 2017: ₹ 475.36 lacs).

(i) Capital commitment:

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**475.56**	8,004.75

Note No. 38 - Employee Benefits:

(a) Defined contribution plan

The Company's contribution to Provident Fund and Superannuation Fund aggregating ₹ 990.45 Lacs (2017: ₹ 836.18 Lacs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans (Gratuity)

The Company has a funded Gratuity Scheme for its employees and gratuity liability has been provided based on the actuarial valuation done at the year end. The Gratuity scheme of the Company is funded with the Life Insurance Corporation of India.

All amounts are in INR Lacs unless otherwise stated

Note No. 38 - Employee Benefits: (Contd.)

Defined benefit plans – as per actuarial valuation on March 31, 2018 and March 31, 2017:

		Funded Plan	
		Gratuity	
		2018	2017
Ia.	**Expense recognised in the Statement of Profit and Loss for the year ended 31st March:**		
	Current service cost	**129.78**	101.86
	Net Interest cost	**1.19**	0.33
	Components of defined benefit costs recognised in profit & loss	**130.97**	102.19
Ib.	**Included in other Comprehensive Income:**		
	Difference between actual and expected return on plan assets	**31.66**	(23.06)
	Actuarial (Gain)/Loss on account of :		
	Demographic Assumptions	**66.53**	-
	Financial Assumptions	**-**	13.81
	Experience Adjustments	**11.25**	13.73
	Components of defined benefit costs recognised in other comprehensive income	**109.44**	4.48
I.	**Net Liability recognised in the Balance Sheet as at 31st March:**		
	1. Present value of defined benefit obligation as at 31st March	**626.49**	464.85
	2. Fair value of plan assets as at 31st March	**543.88**	448.91
	3. Deficit	**(82.61)**	(15.94)
II.	**Change in the obligation during the year ended 31st March:**		
	Present value of defined benefit obligation at the beginning of the year	**464.85**	402.09
	Expenses Recognised in the Statement of Profit and Loss		
	- Current Service Cost	**129.78**	101.86
	- Interest Expense	**34.84**	31.14
	Recognised in Other Comprehensive Income		
	Remeasurement gains / (losses)	**-**	-
	Actuarial Gain / (Loss) arising from:		
	Change in Demographic Assumptions	**66.53**	-
	Financial Assumptions	**-**	13.81
	Experience Adjustments	**11.25**	13.73
	Benefit payments	**(80.76)**	(97.78)
	Present value of defined benefit obligation at the end of the year	**626.49**	464.85
III.	**Change in fair value of assets during the year ended 31st March:**		
	Fair value of plan assets at the beginning of the year	**448.91**	397.79
	Expenses Recognised in the Statement of Profit and Loss		
	Expected return on plan assets	**33.65**	30.81

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 38 - Employee Benefits: (Contd.)

		Funded Plan	
		Gratuity	
		2018	2017
	Recognised in Other Comprehensive Income		
	Remeasurement gains / (losses)		
	Difference between actual and expected return on plan assets	**(31.66)**	23.05
	Contributions by employer (including benefit payments recoverable)	**173.74**	95.04
	Benefit payments	**(80.76)**	(97.78)
	Fair value of plan assets at the end of the year	**543.88**	448.91
IV.	**Major categories of plan assets :**		
	Deposits with Insurance companies	**543.88**	448.91

The significant actuarial assumptions (estimated for adequate coverage of the obligation on a prudent basis), are as under:

	Valuation as at	
	March 31, 2018	March 31, 2017
Discount rate(s)	**7.50%**	7.50%
Expected rate(s) of salary increase	**5.00%**	5.00%
Expected rate of return on plan assets	**7.55%**	7.55%
Attrition	**10%-20%**	1%-3%
Mortality table	**IALM (2006-2008) ULT**	IALM (2006-2008) ULT

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	2017-2018	0.50%	(17.14)	18.04
	2016-2017	0.50%	(27.02)	29.52
Salary growth rate	2017-2018	0.50%	18.39	(17.62)
	2016-2017	0.50%	30.10	(27.76)
Attrition rate	2017-2018	0.50%	(1.83)	20.27
	2016-2017	0.50%	8.73	(10.14)
Mortality rate	2017-2018	0.50%	0.17	(0.16)
	2016-2017	0.50%	0.42	(0.45)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

All amounts are in INR Lacs unless otherwise stated

Note No. 38 - Employee Benefits: (Contd.)

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Company expects to contribute ₹ 234.82 Lacs (Previous Year 151.68 lacs) to the gratuity trust during the next financial year of 2018-19.

V Maturity profile of defined benefit obligation:

	2018	2017
Within 1 year	**97.68**	27.93
1 - 2 year	**93.03**	14.07
2 - 3 year	**79.56**	30.31
3 - 4 year	**80.83**	21.92
4 - 5 year	**79.24**	26.01
> 5 years	**313.61**	161.67

Plan Assets.

The fair value of Company's pension plan asset as of 31 March 2018 and 2017 by category are as follows:

	2018	2017
Asset category:		
Contributions placed with Insurance companies	**543.88**	448.91
	100%	100%

The weighted average duration of the defined benefit obligation as at 31 March 2018 is 6 years (2017: 13 years)

VI Experience Adjustments:

	Period Ended				
	2018	2017	2016	2015	2014
	Gratuity				
Defined Benefit Obligation	**626.49**	464.85	402.09	317.72	279.51
Fair value of plan assets	**543.88**	448.91	397.79	235.68	210.34
Surplus/(Deficit)	**(82.61)**	(15.94)	(4.30)	(82.04)	(69.17)
Experience adjustment on plan liabilities [(Gain)/Loss]	**(77.78)**	(27.54)	8.41	(54.66)	(151.53)
Experience adjustment on plan assets [Gain/(Loss)]	**(31.66)**	23.05	(23.86)	(0.33)	0.06

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The amount recognized as an expense in respect of Compensated absences is ₹ 100.54 lacs (Previous Year: ₹ 434.50 lacs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 39 - Financial Instruments:

Capital management

The Company's key objective in managing its financial structure is to maximize value for shareholders, reduce cost of capital, while at the same time ensuring that the Company has the financial flexibility required to continue its expansion. The Company manages its financial structure majorly through internal accruals and makes any necessary adjustments in light of prevailing economic conditions. In this context, the capital structure of the Company consists only of equity. Equity comprises issued share capital, reserves and retained earnings as set out in the statement of changes in equity.

Categories of financial assets and financial liabilities

As at March 31, 2018

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	-	373.18	-	373.18
Trade Receivables	46,396.43	-	-	46,396.43
Loans	4,282.94	-	-	4,282.94
Other Financial Assets				
- Non Derivative Financial Assets	2,902.23	-	-	2,902.23
Current Assets				
Investments	-	44,468.76	-	44,468.76
Trade Receivables	96,999.59	-	-	96,999.59
Cash & Bank balances	2,388.43	-	-	2,388.43
Other Bank Balances	106.58	-	-	106.58
Loans	2,800.63	-	-	2,800.63
Other Financial Assets				
- Non Derivative Financial Assets	908.15	-	-	908.15
Non-current Liabilities				
Other Financial Liabilities				
- Non Derivative Financial Liabilities	281.69	-	-	281.69
Current Liabilities				
Trade Payables	12,667.14	-	-	12,667.14
Other Financial Liabilities				
- Non Derivative Financial Liabilities	7,297.95	-	-	7,297.95

As at March 31, 2017

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	-	365.59	-	365.59
Trade Receivables	49,443.33	-	-	49,443.33
Loans	3,751.94	-	-	3,751.94
Other Financial Assets				
- Non Derivative Financial Assets	1,243.12	-	-	1,243.12
Current Assets				
Investments	-	9,711.29	-	9,711.29
Trade Receivables	90,134.28	-	-	90,134.28
Cash & Bank balances	15,470.53	-	-	15,470.53
Other Bank Balances	1,314.10	-	-	1,314.10
Loans	4,911.13	-	-	4,911.13
Non-current Liabilities				
Other Financial Liabilities				
- Non Derivative Financial Liabilities	101.86	-	-	101.86
Current Liabilities				
Trade Payables	12,114.53	-	-	12,114.53
Other Financial Liabilities				
- Non Derivative Financial Liabilities	7,179.62	-	-	7,179.62

All amounts are in INR Lacs unless otherwise stated

Note No. 39 - Financial Instruments:(Contd.)

Financial Risk Management Framework

The Company has a robust business risk management process to identify, evaluate and mitigate risks impacting business of the Company. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage. This also defines the risk management approach across the enterprise at various levels including documentation and reporting. Risk management forms an integral part of the Company's Business Plan. The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include credit risk, liquidity risk and market risk.

Risk	Exposure primarily from	Measurement	Management
Credit risk	Trade receivables	Ageing analysis, Credit assessment	Assessment of customer credit worthiness at inception and through the credit period
Liquidity risk	Capital commitments	Cash flow forecast	Availability of committed credit lines and borrowing facilities

(i) Credit risk management

A significant portion of the Company's sales of Vacation Ownerships are by way of deferred payment schemes where the customer is obligated to pay the membership fee in Equated Monthly Installments (EMIs) and the ensuing credit risk is managed by the Company in the following manner:

(a) preliminary assessment of customer credit worthiness, ensuring realisation of minimum down payment and adherence to internal KYC norms.

(b) collecting post dated instruments such as cheques, Automated Clearing House (ACH) mandates, standing credit card instructions from the customers at inception to ensure security cover;

From an accounting perspective, revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the Company. The Company also assesses lifetime expected credit loss by using appropriate models, as prescribed by Ind AS 109, using past trends of collections and historical credit loss experience. The categorisation of the receivables into its ageing buckets for the purposes of estimating the expected loss allowance has been profiled based on the longest overdue of that member, for example, if a member has one installment overdue for say 12 months, the entire receivable of the member is aggregated into that ageing bucket and the credit loss allowance is determined after taking into account the credits against the member under "Deferred Revenue - entitlement fee" (refer note 24 and note 28(a)).

The allowances for credit loss and for revenue deferred at inception referred to above, carried at the end of every reporting period, are tested for adequacy and appropriately dealt with.

The credit loss allowance carried by the Company is as under:

	March 31, 2018	March 31, 2017
Carrying value of receivables (refer note 7 and 14)*	**146,454.64**	146,863.62
Credit loss allowance	**3,173.41**	7,799.95
Loss allowance (%)	**2.17%**	5.31%

* With effect from FY 2015-16, the Company, in accordance with Ind AS, is deferring revenue at inception based on trends as explained and accordingly the credit loss allowance reflects a declining trend. The amounts deferred at inception and the credit loss allowance are adjusted from the carrying value of receivables (refer note 7 and 14) in the same proportion, except in cases where the allowance is directly attributable to a particular contract.

Reconciliation of credit loss allowance adjusted from Trade Receivables

	Amount
Balance as at March 31, 2017	7,799.95
Allowance for credit loss recognised during the year	-
Amounts written off during the year	(4,626.54)
Balance as at March 31, 2018	**3,173.41**
Balance as at April 1, 2016	14,757.97
Allowance for credit loss recognised during the year	2,100.00
Amounts written off during the year	(9,058.02)
Balance as at March 31, 2017	**7,799.95**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 39 - Financial Instruments:(Contd.)

(i) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities (predominantly trade payables, retention payables, etc) with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities as at March 31, 2018				
Trade Payables	12,667.14	-	-	-
Other Financial Liabilities	6,689.19	281.69		
Financial guarantee contracts	55,209.37	-	-	-
Total	**74,565.70**	**281.69**	**-**	**-**
Non-derivative financial liabilities as at March 31, 2017				
Trade Payables	12,114.53	-	-	-
Other Financial Liabilities	6,525.81	101.86		
Financial guarantee contracts	44,536.16	-	-	-
Total	**63,176.50**	**101.86**	**-**	**-**

The Company has provided financial guarantees to its wholly owned subsidiaries. The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely that such an amount will not be payable under the arrangement.

Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

	March 31, 2018	March 31, 2017
Cash credit		
- Expiring within one year	**6,000**	6,000
	6,000	6,000

(ii) Market risk management

The Company's market risk comprises solely of its foreign currency exposure which are limited and not material to the size of its operations. Its major exposure is against currencies that have been stable over several years.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's investing activities when transactions are denominated in a different currency from the Company's functional currency.

All amounts are in INR Lacs unless otherwise stated

Note No. 39 - Financial Instruments:(Contd.)

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

		in ₹ Lacs	
Particulars	**Currency**	**March 31, 2018**	March 31, 2017
Receivables	MYR	**46.73**	46.73
	EUR	**12.80**	8.98
	AED	**59.40**	79.61
	THB	**401.91**	1,108.12
Payables	USD	**0.20**	-
	MYR	**0.80**	-
	EUR	**0.06**	-
	AED	**32.38**	33.35
	THB	**20.22**	8.07

Of the above foreign currency exposures, none of the exposures are hedged by a derivative. These foreign currency exposures are denominated in currencies that are not very volatile. Hence, the Company is not exposed to major currency risks.

Foreign Currency Sensitivity

The Company is exposed to the following currency risks - USD, AED, THB, MYR and EUR - and the following table demonstrates the sensitivity.

	Currency	**Change in rate**	Impact on profit before tax
March 31, 2018	USD	**+10%**	0.02
	USD	**-10%**	(0.02)
	MYR	**+10%**	4.59
	MYR	**-10%**	(4.59)
	EUR	**+10%**	1.27
	EUR	**-10%**	(1.27)
	AED	**+10%**	2.70
	AED	**-10%**	(2.70)
	THB	**+10%**	38.17
	THB	**-10%**	(38.17)
March 31, 2017	MYR	**+10%**	4.67
	MYR	**-10%**	(4.67)
	EUR	**+10%**	0.90
	EUR	**-10%**	(0.90)
	AED	**+10%**	4.63
	AED	**-10%**	(4.63)
	THB	**+10%**	110.00
	THB	**-10%**	(110.00)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 40 - Fair Value Measurement:

Fair Valuation Techiques and Inputs used - recurring Items

Financial assets/ financial liabilities* measured at Fair value	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2018	March 31, 2017		
Financial assets				
Investments				
Mutual fund investments	44,468.76	9,711.29	Level 1	Refer note 1 below
Equity and preference	373.18	365.59	Level 3	Refer note 2 below
Total financial assets	**44,841.94**	10,076.88		

Note 1: Fair value determined using NAV.

Note 2: Fair value determined using discounted cash flow method.

Reconciliation of Level 3 fair values

Particulars	Equity and Preference
Balance as at April 1, 2017	365.59
Fair value gain included in statement of profit and loss	7.59
Balance as at March 31, 2018	373.18

* Fair value of financial assets and financial liabilities (that are measured at amortised cost) closely approximate their carrying value.

Note No. 41 - Expenditure on Corporate Social Responsibility:

As per Section 135 of the Companies Act 2013, the Company needs to spend 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The Company has incurred CSR expenditure on activities specified in Schedule VII of the Companies Act, 2013.

Gross amount required to be spent by the Company during the year is ₹ 340 Lacs (Previous Year : ₹ 288 Lacs)

	Paid	Yet to be paid	Total
(i) Construction/Acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	340.20	-	340.20

Note No. 42 - Capital work in progress (CWIP) and expenditure during construction pending allocation included therein:

	As at March 31, 2018	As at March 31, 2017
Capital Work-in-progress	**10,848.60**	5,960.64

All amounts are in INR Lacs unless otherwise stated

Note No. 43 - Expenditure during construction pending allocation included in (CWIP) above:

	As at March 31, 2018	As at March 31, 2017
Salaries, Wages & Bonus	**1,494.86**	1,037.54
Staff welfare Expenses	**22.82**	15.46
Power & Fuel	**22.82**	15.45
Rent	**14.90**	9.77
Rates & Taxes	**11.35**	10.87
Repairs-Others	**19.46**	18.93
Travelling	**105.27**	84.49
Consultancy Charges	**184.49**	184.49
Freight	**10.27**	10.27
Miscellaneous	**71.61**	24.53
	1,957.85	1,411.80

Note No. 44 - Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	As at March 31, 2018	As at March 31, 2017
(i) Principal amount remaining unpaid to MSME suppliers as on	**59.66**	22.94
(ii) Interest due on unpaid principal amount to MSME suppliers as on	**0.03**	-

Note No. 45 - Segment information

The Company is primarily engaged in the business of sale of Vacation Ownership and other related services in India. As such, the Company operates in a single segment and there are no separate reportable segments. The same is consistent with the information reviewed by the chief operating decision maker (CODM).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 46 - Related party transactions:

Particulars		March 31, 2018	March 31, 2017
Transactions during the year :			
Holding company			
Sale of services	Mahindra & Mahindra Limited	**38.87**	21.68
Purchases of PPE	Mahindra & Mahindra Limited	**-**	7.65
Purchase of services	Mahindra & Mahindra Limited	**974.78**	643.92
Dividend paid (Including Dividend Distribution Tax)	Mahindra & Mahindra Limited	**3,606.34**	3,329.28
Subsidiary companies			
Investments	Gables Promoters Private Ltd	**1,532.14**	-
ICD, Loans & Advances given			
	Gables Promoters Private Ltd	**1,000.00**	1,600.00
	Mahindra Hotels & Residences India Ltd	**3.00**	2.00
ICD, Loans & Advances received	Gables Promoters Private Ltd	**1,273.49**	-
	Infinity Hospitality Group Company Ltd	**1,382.93**	-
	Arabian Dreams Hotels Apartments LLC	**412.42**	-
Purchase of services	Heritage Bird (M) Sdn Bhd.	**138.41**	137.47
	Infinity Hospitality Group Company Ltd	**451.69**	386.87
	Arabian Dreams Hotels Apartments LLC	**1,143.49**	1,009.63
Sale of services	Gables Promoters Private Limited	**239.05**	-
Interest Income:	Heritage Bird (M) Sdn Bhd.	**64.52**	64.26
	Gables Promoters Private Limited	**59.44**	36.98
	Infinity Hospitality Group Company Ltd	**8.83**	246.38
	MH Boutique Hospitality Limited	**52.57**	50.72
	Mahindra Hotels & Residences India Ltd	**0.34**	0.11
	MHR Holdings (Mauritius) Limited	**18.30**	17.26
	Arabian Dreams Hotels Apartments LLC	**73.58**	79.20
Commission on Corporate Guarantee:	MHR Holdings (Mauritius) Limited	**234.62**	175.24
	Covington S.a.r.l	**40.84**	38.52
	Infinity Hospitality Group Company Ltd	**16.55**	-
Corporate guarantees given on behalf of:	MHR Holdings (Mauritius) Ltd	**383.14**	-
	Infinity Hospitality Group Company Ltd	**-**	3,057.26
Fellow Subsidiaries / Associates			
Sale of services:	Mahindra Intertrade Ltd	**0.99**	0.96
	Mahindra Lifespace Developers Ltd	**-**	0.37
	Bristlecone India Limited.	**1.71**	10.83
	Tech Mahindra Limited	**2.93**	2.44
	Mahindra Asset Management Company Ltd	**5.58**	6.69
Purchase of PPE	Mahindra Retail Private Limited	**19.96**	-

All amounts are in INR Lacs unless otherwise stated

Note No. 46 - Related party transactions: (Contd.)

Particulars		March 31, 2018	March 31, 2017
Purchase of services:	Mahindra Integrated Business Solutions Pvt Ltd	**184.22**	51.98
	Mahindra Consulting Engineers Limited.	**-**	0.30
	Bristlecone India Limited.	**316.72**	308.16
	Tech Mahindra Ltd	**582.89**	1,168.20
	Mahindra Emarket Ltd	**-**	0.05
Other Entities(Director's Interest)			
Purchase of services	Grassroutes Journeys Private Limited	**1.03**	-
Key Management Personnel			
Managerial remuneration:	Mr. Kavinder Singh	**370.85**	306.27
	Mr. Dinesh Shetty (Upto March 31, 2018)	**87.10**	72.86
	Mr. S Krishnan (Upto January 21, 2018)	**309.35**	163.31
	Mrs. Akhila Balachandar (wef May 20, 2017)	**93.25**	-
	Director's Fees and commission	**232.05**	228.92
Balances as at:			
Holding company			
Outstanding: Payable	Mahindra & Mahindra Limited	**291.77**	808.48
Outstanding: Receivable	Mahindra & Mahindra Limited	**26.42**	24.25
Subsidiary companies			
Investments	Mahindra Hotels & Residences India Ltd	**5.00**	5.00
	Heritage Bird (M) Sdn Bhd.	**40.27**	40.27
	Gables Promoters Private Limited	**6,543.78**	5,011.64
	Infinity Hospitality Group Company Ltd	**2,681.11**	2,681.11
	MH Boutique Hospitality Limited	**95.38**	95.38
	Arabian Dreams Hotels Apartments LLC	**52.11**	52.11
	MHR Holdings (Mauritius) Limited	**115.11**	115.11
Loans and Advances including interest accured	Mahindra Hotels & Residences India Ltd	**7.40**	7.40
Inter Corporate Deposits including interest accrued	Gables Promoters Private Limited	**-**	220.00
	Infinity Hospitality Group Company Ltd	**-**	1,375.43
	MH Boutique Hospitality Limited	**836.57**	715.82
	Mahindra Hotels & Residences India Ltd	**5.93**	2.63
	MHR Holdings (Mauritius) Limited	**252.63**	200.46
	Arabian Dreams Hotels Apartments LLC	**723.03**	1,065.29
	Heritage Bird (M) Sdn Bhd.	**789.18**	684.14
Other Receivables	MHR Holdings (Mauritius) Limited	**646.33**	343.94
	Covington S.a.r.l	**133.41**	77.84
	Infinity Hospitality Group Company Limited	**4.29**	-
	Gables Promoters Private Limited	**369.90**	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 46 - Related party transactions: (Contd.)

Particulars		March 31, 2018	March 31, 2017
Other Payables	Infinity Hospitality Group Company Limited	**46.37**	15.24
	Heritage Bird (M) Sdn Bhd.	**13.43**	-
	Gables Promoters Private Limited	**64.65**	-
	Arabian Dreams Hotels Apartments LLC	**16.55**	48.14
Corporate guarantees given on behalf of	MHR Holdings (Mauritius) Limited	**49,888.21**	39,544.61
	Covington S.a.r.l	**8,872.60**	7,618.05
	Infinity Hospitality Group Company Limited	**3,369.60**	3,057.26
Loan outstanding against above guarantees	MHR Holdings (Mauritius) Limited	**43,919.37**	36,289.62
	Covington S.a.r.l	**8,066.00**	6,925.50
	Infinity Hospitality Group Company Limited	**3,224.00**	1,321.04
Fellow Subsidiaries / Associates	Mahindra Retail Pvt Ltd	**19.84**	-
Outstanding: Payable	Tech Mahindra Ltd	**129.99**	51.25
	Bristlecone India Limited	**18.28**	-
	Mahindra Integrated Business Solutions Pvt Ltd	**58.05**	7.32
	Mahindra Consulting Engineers Limited.	**-**	0.32
Outstanding: Receivable	Mahindra Lifespace Developers Ltd	**3.80**	6.20
Other entities under the control of the company			
Balances as at :			
Outstanding: Receivable	Mahindra Holidays and Resorts India Limited Employees' Stock Option Trust	**155.00**	625.00
Outstanding: Payable	Mahindra Holidays and Resorts India Limited Employees' Stock Option Trust	**935.82**	1,099.52

Note No. 47 - Contribution to political parties

Payments made by the Company to political parties in India in accordance with Section 182 of Companies Act, 2013, during the year are as follows:

	Year ended March 31, 2018	Year ended March 31, 2017
New Democratic Electoral Trust (included under 'Miscellaneous expenses' in Note 33)	**-**	10.0

All amounts are in INR Lacs unless otherwise stated

Note No. 48 - IND AS 115 - Revenue from contracts with customers

Ind AS 115 "Revenue from contracts with customers" has been notified by the Ministry of Corporate Affairs on 28th Mar'18 which replaces the existing revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions effective for accounting periods beginning on or after 1st April'18. Ind AS 115 sets out requirements for recognising revenue and costs from contracts with customers and includes extensive disclosure requirement which may have material impact on the Company's reporting of revenue and costs.

The company's business is to sell vacation ownership and provide holiday facilities to members for specified period each year, over a number of years, for which membership fee is collected. The Company is assessing the impact of the accounting changes that will arise under Ind AS 115, which include recognition of the membership fees and direct acquisition cost over the membership period. The changes highlighted above may have a material impact on the company's income statement and statement of financial position after transition to Ind AS 115 from 1st April 2018. Accordingly, the Company's Revenue Recognition Policy may undergo a change for the annual periods beginning from 1st April 2018.

Note No. 49 - Specified Bank Notes (SBN) held and transacted (from November 8, 2016 to December 30, 2016):

	Specified bank notes	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	92.82	15.02	107.84
(+) Other receipts*	324.62	1,003.45	1,328.07
(-) Permitted payments	(0.09)	(78.93)	(79.02)
(-) Other payments	(0.66)	-	(0.66)
(-) Amounts deposited in Banks	(416.69)	(890.05)	(1,306.74)
Closing cash in hand as on December 30, 2016	-	49.49	49.49

* Specified Bank Notes collected and recorded at branches and resorts of the Company in the normal course of business have been deposited with banks across various locations.

The disclosures regarding details of specified bank notes held and transacted has not been made for the current year as the requirement does not pertain to financial year ended 31 March 2018. Corresponding amounts as appearing in the audited Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

Note No. 50 - Regrouping/reclassification:

The figures for the previous year have been regrouped/ reclassified to correspond with current year's classification/ disclosure that include changes consequent to the issuance of "Guidance Note on Division II – Ind AS Schedule III to the Companies Act, 2013".

The financial statements of Mahindra Holidays and Resorts India Limited were approved by the Board of Directors and authorised for issue on May 8, 2018.

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399

Place: Mumbai
Date: May 08, 2018

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Akhila Balachandar
Chief Financial Officer

Place: Mumbai
Date: May 08, 2018

CONSOLIDATED FINANCIAL STATEMENTS

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

Report on the Audit of Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Mahindra Holidays & Resorts India Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint venture which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement, for the year then ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of the Group and of its associates and joint venture 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 Group or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We are also responsible to 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 ability of Group and of its associates and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group and its associates and joint venture to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 2 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint venture, the aforesaid consolidated 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, of the consolidated state of affairs of the Group, its associates and joint venture as at 31 March 2018, and their consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other Matters

1. The comparative financial information of the Group, its associates and joint venture for the year ended 31 March 2017 prepared in accordance with Ind AS included in these consolidated Ind AS financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information dated 19 May 2017 expressed an unmodified opinion.

2. We did not audit the financial statements/ financial information of thirty six subsidiaries, two associates and one joint venture whose financial statements/ financial information reflect total assets of ₹ 215,805.19 lakhs and net assets of ₹ 64,051.10 lakhs as at 31 March 2018, total revenues of ₹ 127,331.88 lakhs and net cash outflows amounting to ₹ 727.53 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 19.05 lakhs for the year ended 31 March 2018, as considered in the consolidated Ind AS financial statements, in respect of two associates and one joint venture, whose financial statements/ financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint venture and our report in terms of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint venture and associates is based solely on the reports of the other auditors.

   Certain of these subsidiaries along with their subsidiaries, joint venture and associates are located outside India, whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries, joint venture and associates located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries, joint venture and associates located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors separate financial statements and the other financial information of subsidiaries, joint venture and associates as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies in India is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in the "Annexure"; and

(g) With respect to the other matters to be included in the Auditors' 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 and based on the consideration of the report of the other auditors on separate financial statements, as also the other financial information of the subsidiaries, joint venture and associates as noted in the 'Other Matters' paragraph:

  i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint venture. Refer Note 41 to the consolidated Ind AS financial statements;

  ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or Ind AS, for material foreseeable losses on derivative contracts. Refer Note 30 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group, its joint venture and associates. The Group, its associates and joint venture did not have any other long-term contracts for which there were any material foreseeable losses;

  iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended 31 March 2018; and

  iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018. Corresponding amounts as appearing in the audited Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

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

Koosai Lehery
Partner
(Membership No. 112399)

Mumbai, May 8, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to financial statements of **Mahindra Holidays & Resorts India Limited** ("hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note 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 Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 Consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls With reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that:

(a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(b) 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

(c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With reference to financial statements

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

Opinion

In our opinion and to the best of our information and according to the explanation given to us and based on consideration of reporting of the other auditors as mentioned in the other matter paragraph, the Holding Company and its subsidiary companies which are companies incorporated in India, have in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matter

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to two subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

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

Koosai Lehery
Partner
(Membership No. 112399)

Mumbai, May 8, 2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
Assets			
Non-current assets			
Property, Plant and Equipment	4	**132,466.48**	115,765.07
Capital work-in-progress		**11,074.59**	16,921.83
Goodwill	5	**9,784.23**	6,826.36
Other Intangible Assets	6	**3,685.78**	4,706.61
Intangible Assets under development		**92.61**	211.42
Equity accounted investees	7	**318.18**	155.85
Financial Assets			
Investments	7	**519.79**	492.49
Trade Receivables	8	**47,514.38**	50,520.42
Loans	9	**4,289.78**	3,752.08
Other financial assets	10	**1,509.44**	500.75
Deferred Tax Assets (Net)	11(a)	**3,765.71**	4,586.26
Other tax assets (Net)	12(a)	**11,816.70**	10,750.77
Other non-current assets	12(b)	**3,564.19**	2,189.24
		230,401.86	217,379.15
Current assets			
Inventories	13	**52,013.54**	39,538.55
Financial Assets			
Investments	14	**44,468.76**	9,711.29
Trade receivables	15	**107,514.74**	101,997.15
Cash and cash equivalents	16	**5,631.73**	19,611.59
Other bank balances	17	**1,570.27**	1,811.91
Loans	18	**38.27**	30.37
Other financial assets	19	**1,302.80**	421.01
Other current assets	20	**7,552.80**	5,548.14
		220,092.91	178,670.01
		450,494.77	396,049.16
EQUITY AND LIABILITIES			
Equity			
Equity share capital	21	**13,275.95**	8,823.45
Other equity	22	**57,869.04**	50,915.15
		71,144.99	59,738.60
Non-Controlling Interests	23	**2,735.59**	2,825.46
		73,880.58	62,564.06
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	24	**71,335.65**	69,380.86
Other financial liabilities	25	**4,773.30**	3,889.20
Provisions	26	**724.34**	859.68
Deferred Tax Liabilities	11(b)	**-**	183.81
Other Non-Current Liabilities			
Deferred Revenue	27	**204,424.02**	187,801.25
		281,257.31	262,114.80
Current liabilities			
Financial Liabilities			
Borrowings	28	**2,494.34**	1,819.27
Trade Payables	29	**26,157.28**	23,541.26
Other Financial Liabilities	30	**37,276.86**	21,652.07
Provisions	31	**352.09**	188.21
Current Tax Liabilities		**861.10**	182.76
Other Current Liabilities			
Deferred Revenue	32(a)	**24,425.91**	21,680.75
Others	32(b)	**3,789.30**	2,305.98
		95,356.88	71,370.30
		450,494.77	396,049.16

See accompanying notes to the financial statements

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399

Place: Mumbai
Date: May 08, 2018

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Akhila Balachandar
Chief Financial Officer

Place: Mumbai
Date: May 08, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
Revenue			
Revenue from operations	33	**231,692.20**	226,661.16
Other income	34	**3,365.62**	2,783.17
Total Revenue		**235,057.82**	229,444.33
Expenses			
Cost of vacation ownership weeks	37(a)	**25,025.45**	25,593.00
Employee benefits expense	35	**54,351.42**	51,276.99
Finance costs	36	**6,372.65**	1,971.57
Depreciation and amortisation expense	4 & 6	**9,998.39**	10,592.01
Other expenses	37(b)	**117,633.61**	117,603.35
Total Expenses		**213,381.52**	207,036.92
Profit before share of profit / (loss) of joint ventures and associates		**21,676.30**	22,407.41
Share of profit/ (loss) of joint ventures and associates (net of income tax)		**(19.05)**	4.95
Profit before tax		**21,657.25**	22,412.36
Tax Expense			
Current tax	38	**7,426.56**	7,902.73
Deferred tax	38	**953.65**	(45.62)
Total tax expense		**8,380.21**	7,857.11
Profit after tax		**13,277.04**	14,555.25
Profit for the year attributable to:			
Owners of the Company		**13,237.21**	14,857.59
Non controlling interests		**39.83**	(302.34)
		13,277.04	14,555.25
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit asset		**(109.44)**	(4.48)
Income taxes related to items that will not be reclassified to profit or loss		**37.87**	1.55
Items that may be reclassified to profit or loss			
Exchange differences on translating the financial statements of foreign operations		**6,194.48**	(3,344.45)
Total Other Comprehensive Income		**6,122.91**	(3,347.38)
Other comprehensive income for the year attributable to:			
Owners of the Company		**6,039.23**	(3,177.16)
Non controlling interests		**83.68**	(170.22)
		6,122.91	(3,347.38)
Total comprehensive income for the year		**19,399.95**	11,207.87
Total comprehensive income for the year attributable to:			
Owners of the Company		**19,276.44**	11,680.43
Non controlling interests		**123.51**	(472.56)
		19,399.95	11,207.87
Earnings per equity share (for continuing operation):			
(face value of ₹ 10 per share)			
Basic	39	**9.99**	11.23
Diluted	39	**9.95**	11.20

See accompanying notes to the financial statements

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399

Place: Mumbai
Date: May 08, 2018

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Akhila Balachandar
Chief Financial Officer

Place: Mumbai
Date: May 08, 2018

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD YEAR MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Profit before tax for the year	**21,657.25**	22,412.36
	Adjustments for:		
	Finance costs	**2,232.88**	1,971.57
	Interest income	**(618.79)**	(418.35)
	Dividend income	**(177.81)**	(423.46)
	Impairment loss recognised on trade receivables	**555.77**	3,091.11
	Depreciation and amortisation of non-current assets	**9,998.39**	10,592.01
	Net (Gain)/Loss on disposal of property, plant and equipment	**(613.71)**	62.04
	Net foreign exchange (gain)/loss	**10,823.21**	(1,169.97)
	Net gain on investments carried at FVTPL	**(1,517.80)**	(9.46)
	Expense recognised in respect of equity-settled share-based payments	**272.08**	350.98
	Share of profit of associates and joint venture	**19.05**	(4.95)
		20,973.27	14,041.52
	Operating profit before working capital changes	**42,630.52**	36,453.88
	Movements in working capital:		
	Increase in trade and other receivables	**(5,431.65)**	(19,636.90)
	Increase in inventories	**(12,474.99)**	(1,597.59)
	Decrease in trade and other payables	**2,030.42**	1,725.18
	Increase in provisions	**28.54**	315.83
	Increase in deferred revenue	**19,367.93**	21,408.11
	(Decrease)/increase in other liabilities	**17,716.58**	(4,427.99)
		21,236.83	(2,213.35)
	Cash generated from operations	**63,867.35**	34,240.53
	Income taxes paid	**(8,767.80)**	(6,653.64)
	NET CASH GENERATED BY OPERATING ACTIVITIES	**55,099.55**	27,586.89
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Interest received	**618.79**	418.35
	Dividend income	**177.81**	423.46
	Placement of deposits	**(2,000.00)**	-
	Payments for property, plant and equipment	**(21,093.98)**	(15,289.43)
	Proceeds from disposal of property, plant and equipment	**774.69**	507.79
	Purchase of investment	**(78,150.00)**	(5,723.46)
	Purchase of equity investment	**(189.62)**	-
	Proceeds from disposal of investment	**45,155.92**	1,477.18
	NET CASH (USED IN)/GENERATED BY INVESTING ACTIVITIES	**(54,706.39)**	(18,186.11)

All amounts are in INR Lacs unless otherwise stated

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from borrowings	**13,087.38**	6,862.84
Repayment of borrowings	**(20,482.35)**	-
Proceeds from issue of share capital	**585.60**	-
Dividends paid to owners of the Company	**(5,346.03)**	(5,464.73)
Interest paid	**(2,217.62)**	(1,971.57)
NET CASH (USED IN) /GENERATED FROM FINANCING ACTIVITIES	**(14,373.02)**	(573.46)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(13,979.86)**	8,827.32
Cash and cash equivalents at the beginning of the year	**19,611.59**	10,784.27
Cash and cash equivalents at the end of the year (Refer note no 16)	**5,631.73**	19,611.59

See accompanying notes to the financial statements
In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399
Place: Mumbai
Date: May 08, 2018

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Akhila Balachandar
Chief Financial Officer

Place: Mumbai
Date: May 08, 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Statement of Changes in Equity

All amounts are in INR Lacs unless otherwise stated

Particulars	Share Capital	Reserves and Surplus							Items of other comprehensive income		Attributable to owners of the Company	Non-Controlling Interests	Total
	Equtiy Share Capital	Capital Reserve	Securities Premium Reserve	General Reserve	Share Options Outstanding Account	Capital Redemption Reserve	FCMITDR	Retained Earnings	Foreign Currency Translation Reserve	Acturial Gain / Loss			
Balance at the beginning of reporting year April 1, 2017	8,823.45	44.75	13,805.68	10,384.36	845.39	145.80	1,676.09	27,676.96	(3,650.86)	(13.03)	59,738.59	2,825.46	62,564.05
Profit for the year	-	-	-	-	-	-	-	13,237.21	-	-	13,237.21	123.51	13,360.72
Additions during the year	4,452.50	-	(3,737.95)	(2.68)	272.08	-	-	-	-	-	983.95	-	983.95
OCI component of actuarial gains/ losses (Net of Taxes)	-	-	-	-	-	-	-	-	-	(71.57)	(71.57)	-	(71.57)
Dividend paid on Equity Shares	-	-	-	-	-	-	-	(5,346.03)	-	-	(5,346.03)	-	(5,346.03)
Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	(3,482.67)	(108.97)	6,194.48	-	2,602.84	(213.38)	2,389.46
Balance at the end of reporting period March 31, 2017	13,275.95	44.75	10,067.73	10,381.68	1,117.47	145.80	(1,806.58)	35,459.17	2,543.62	(84.60)	71,144.99	2,735.59	73,880.58

Particulars	Share Capital	Reserves and Surplus							Items of other comprehensive income		Attributable to owners of the Company	Non-Controlling Interests	Total
	Equtiy Share Capital	Capital Reserve	Securities Premium Reserve	General Reserve	Share Options Outstanding Account	Capital Redemption Reserve	FCMITDR	Retained Earnings	Foreign Currency Translation Reserve	Acturial Gain / Loss			
Balance at the beginning of reporting year April 1, 2016	8,805.84	44.75	13,504.50	8,890.18	494.41	145.80	(762.05)	19,807.56	(306.41)	(10.10)	50,614.48	3,069.57	53,684.05
Profit for the year	-	-	-	-	-	-	-	14,857.59	-	-	14,857.59	(472.56)	14,385.03
Additions during the year	17.61	-	301.18	(5.82)	350.98	-	-	-	-	-	663.95	-	663.95
OCI component of actuarial gains/ losses (Net of Taxes)	-	-	-	-	-	-	-	-	-	(2.93)	(2.93)	-	(2.93)
Dividend paid on Equity Shares	-	-	-	-	-	-	-	(5,467.32)	-	-	(5,467.32)	-	(5,467.32)
Transfers to Reserves	-	-	-	1,500.00	-	-	-	(1,500.00)	-	-	-	-	-
Other changes	-	-	-	-	-	-	2,438.14	(20.87)	(3,344.45)	-	(927.18)	228.45	(698.74)
Balance at the end of reporting year March 31, 2017	8,823.45	44.75	13,805.68	10,384.36	845.39	145.80	1,676.09	27,676.96	(3,650.86)	(13.03)	59,738.59	2,825.46	62,564.04

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399
Place: Mumbai
Date: May 08, 2018

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Akhila Balachandar
Chief Financial Officer

Place: Mumbai
Date: May 08, 2018

1. Corporate Information

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

2. Significant Accounting Policies

(i) Statement of compliance:

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

(ii) Basis of preparation and presentation

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would consider those characteristics when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

(iii) Basis of consolidation:

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The consolidated financial statements present the consolidated accounts which consist of accounts of the Company and that of the following subsidiaries, joint venture and associates

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

Name of the Company	Country of incorporation	Effective holding as of March 31		Subsidiary/ Joint Venture/ Associate since
		2018	2017	
Subsidiary Companies				
Mahindra Hotels & Residences India Limited	India	100%	100%	26-Apr-07
Heritage Bird (M) Sdn Bhd	Malaysia	100%	100%	3-Mar-08
Gables Promoters Private Limited	India	100%	100%	24-Aug-12
MH Boutique Hospitality Limited	Thailand	49%	49%	2-Nov-12
Infinity Hospitality Group Company Limited	Thailand	73.99%	73.99%	5-Nov-12
MHR Holdings (Mauritius) Limited	Mauritius	100%	100%	11-Jul-14
Covington S.a.r.l##	Luxemborg	100%	100%	17-Jul-14
Arabian Dreams Hotels Apartments LLC	Dubai	49.00%	49.00%	26-Mar-13
HCR Management Oy###	Finland	100%	100%	2-Sep-15
Holiday Club Resorts Oy###	Finland	95.16%	91.93%	2-Sep-15
Holiday Club Sweden Ab Åre, Sweden	Sweden	95.16%	91.93%	2-Sep-15
Ownership Services Sweden Ab	Sweden	95.16%	91.93%	2-Sep-15
Are Villa 1 Ab	Sweden	95.16%	91.93%	2-Sep-15
Are Villa 2 Ab	Sweden	95.16%	91.93%	2-Sep-15
Åre Villa 3 AB (Visionsbolaget 12191 AB)	Sweden	95.16%	0.00%	26-Jan-18

Name of the Company	Country of incorporation	Effective holding as of March 31		Subsidiary/ Joint Venture/ Associate since
		2018	2017	
Holiday Club Canarias Investments S.L.	Spain	95.16%	91.93%	2-Sep-15
Holiday Club Canarias Sales & Marketing S.L.	Spain	95.16%	91.93%	2-Sep-15
Holiday Club Canarias Resort Management S.L.	Spain	95.16%	91.93%	2-Sep-15
Holiday Club Resorts Rus LLC	Russia	95.16%	91.93%	2-Sep-15
Suomen Vapaa-aikakiinteistöt Oy LKV	Finland	95.16%	91.93%	2-Sep-15
Kiinteistö Oy Himos Gardens	Finland	95.16%	91.93%	2-Sep-15
Kiinteistö Himoksen Tähti 2 Oy	Finland	95.16%	91.93%	2-Sep-15
Kiinteistö Oy Vanha Ykköstii	Finland	95.16%	91.93%	2-Sep-15
Kiinteistö Oy Katinnurkka	Finland	95.16%	91.93%	2-Sep-15
Kiinteistö Oy Tenetinlahti	Finland	95.16%	91.93%	2-Sep-15
Kiinteistö Oy Mällösniemi	Finland	95.16%	91.93%	2-Sep-15
Kiinteistö Oy Rauhan Ranta 1	Finland	95.16%	91.93%	2-Sep-15
Kiinteistö Oy Rauhan Ranta 2	Finland	95.16%	91.93%	2-Sep-15
Kiinteistö Oy Tiurunniemi	Finland	95.16%	91.93%	2-Sep-15
Kiinteistö Oy Rauhan Liikekiinteistöt 1	Finland	95.16%	91.93%	2-Sep-15
Supermarket Capri Oy	Finland	95.16%	91.93%	2-Sep-15
Kiinteistö Oy Kylpyläntorni 1	Finland	95.16%	91.93%	2-Sep-15
Kiinteistö Oy Spa Lofts 2	Finland	95.16%	91.93%	2-Sep-15
Kiinteistö Oy Spa Lofts 3	Finland	95.16%	91.93%	2-Sep-15
Kiinteistö Oy Kuusamon Pulkkajärvi 1	Finland	95.16%	91.93%	2-Sep-15
Holiday Club Sport and Spa Hotels AB	Sweden	48.53%	46.88%	1-Dec-15
Joint venture				
Tropiikin Rantasauna Oy	Finland	47.58%	45.97%	31-Aug-16
Associate				
Kiinteisto Oy Seniori-Saimaa	Finland	29.50%	28.64%	2-Sep-15
Kiinteisto Oy Sallan Kylpyla €*	Finland	46.63%	45.05%	2-Sep-15

Covington S.a.r.l is a subsidiary of MHR holding (Mauritius) Ltd which is the direct subsidiary of the Company.

HCRO and HCR Management Oy are subsidiaries of Covington S.a.r.l.

€* HCRO has the ability to only exercise significant influence on Kiinteisto Oy Sallan Kylpyla based on the contractual agreement entered into with the municipality of Salla.

The financial statements of subsidiaries, associate and joint venture used in the consolidation are drawn up to the same reporting date as that of the holding company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

(iv) **Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013**

S. No	Name of Entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of other comprehensive income	Amount	As a % of total comprehensive income	Amount
1	**Parent**								
	Mahindra Holidays & Resorts India Limited	103.47%	76,444.58	101.20%	13,435.87	-1.17%	(71.57)	68.89%	13,364.30
2	**Subsidiaries**								
	a. Indian:								
	Gables Promoters (P) Ltd.	8.32%	6,145.01	-2.05%	(271.92)	0.00%	-	-1.40%	(271.92)
	Mahindra Hotels & Residences India Limited	-0.01%	(11.01)	-0.01%	(1.06)	0.00%	-	-0.01%	(1.06)
	Mahindra Holidays & Resorts India Ltd Employee Stock Option Trust	1.09%	806.02	1.18%	157.04	0.00%	-	0.81%	157.04
	b. Foreign:								
	Heritage Bird (M) Sdn Bhd	-0.03%	(18.92)	-0.59%	(78.15)	0.00%	-	-0.40%	(78.15)
	MH Boutique Hospitality Ltd	-0.24%	(174.88)	-1.01%	(133.94)	0.00%	-	-0.69%	(133.94)
	Infinity Hospitality Group Company Limited	0.76%	559.15	-0.82%	(108.92)	0.00%	-	-0.56%	(108.92)
	Covington S.a.r.l	18.08%	13,356.36	-34.78%	(4,618.00)	0.00%	-	-23.80%	(4,618.00)
	MHR Holdings (Mauritius) Limited	-4.61%	(3,402.87)	-26.87%	(3,568.02)	0.00%	-	-18.39%	(3,568.02)
	Holiday Club Resorts Oy	62.66%	46,295.85	40.67%	5,400.28	99.80%	6,110.80	59.34%	11,511.08
	Holiday Club Resorts Management Oy	2.33%	1,724.67	0.28%	37.61	0.00%	-	0.19%	37.61
	Arabian Dreams Hotels Apartments LLC	-0.57%	(422.27)	2.23%	296.06	0.00%	-	1.53%	296.06
3	**Non Controlling Interest**	3.70%	2,735.59	0.30%	39.83	1.37%	83.68	0.64%	123.51
4	**Share of profit/(loss) in associate**			-0.14%	(19.05)	0.00%	-	-0.10%	(19.05)
	Inter- Company Elimination & Consolidation Adjustments	-94.96%	(70,156.71)	20.41%	2,709.41	0.00%	-	13.97%	2,709.41
	TOTAL	**100.00%**	**73,880.57**	**100.00%**	**13,277.04**	**100.00%**	**6,122.91**	**100.00%**	**19,399.95**

(v) **Business Combination:**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in Statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date (see note (xiii)); and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment.

The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date

(vi) Goodwill:

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note (v) above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note (vii) below.

(vii) Investments in associates and joint ventures:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS

105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

(viii) Revenue recognition:

a. Revenue from sale of Vacation Ownership

The Group's business is to sell Vacation ownership and provide holiday facilities to members for a specified period each year, over a number of years, for which membership fee is collected either in full upfront, or on a deferred payment basis.

Revenue from Membership fees

Admission fee is recognized as income on admission of a member. Admission fee collected is non refundable.

Entitlement fee, which entitles the members the vacation ownership facilities over the agreed membership period, is recognized as income equally over the tenure of membership (33 years / 25 years / 10 years or any other tenure applicable to the respective member), commencing from the year of admission of each member. Entitlement fees which will be recognised in future periods are disclosed under Other Liabilities – Deferred revenue – entitlement fee.

Revenue from Annual subscription fees

Annual subscription fee dues from members are recognized as income on accrual basis and fees pertaining to the period beyond the date of the Balance Sheet is grouped under Other current liabilities - Deferred revenue – Annual subscription fee.

Interest income on deferred payment plans

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the agreed rates.

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the Group. Revenue with respect to installments/contracts where there is an uncertainty about collectability is deferred at inception (even though the membership is not cancelled). The estimation of such revenues doubtful of recovery has been made by the Group based on past trends of year-wise cancellation of memberships and considering factors impacting future collections.

b. Revenue from sale of vacation ownership weeks is recognized when related right to use the specific property over the specific week(s) is transferred to the buyer for a consideration, which coincides with transfer of significant risks and rewards of ownership.

c. Income from sale of vacation ownership weeks in villas is recognized when the outcome of a villa project can be estimated reliably, project revenue and contract costs associated with the contract are recognized as revenue and expenses respectively by reference to the percentage of completion of the project activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that project costs incurred for work performed upto the reporting date bear to the total estimated project costs. Outcome of a project necessarily involves technical estimates of the percentage of completion of each project, and costs to completion of the project , on the basis of which profits/ losses are accounted. Such estimates, made by the management and certified to the auditors, have been relied upon by them, as these are of a technical nature. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

d. Income from resorts include income from room rentals, food and beverages, etc. and is recognized when services are rendered.

e. Interest income from other financial assets is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

f. Securitised receivables are de-recognised as the contractual rights therein are transferred to the third party. On de-recognition, the excess of consideration received over the principal amounts of receivable from members (net of reversals in respect of cancelled members) is recognised as income from Securitisation. No such transactions have been entered subsequent to April 1, 2016 warranting a different treatment under Ind AS.

g. Dividend income from investments is recognized when the shareholder's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

h. Rental income from retail premises in case of HCR Oy are recognized on a straight line basis over the rental period.

(ix) **Leases:**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs (see note (xi) below). Contingent rentals are recognized as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(x) Foreign currencies:

The financial statements of the Company are presented in Indian Rupees (INR), which is the Company's functional currency. In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in Foriegn Currency Translation Reserve (FCTR) through other comprehensive income.

Under previous GAAP, paragraph 46A of AS 11, The Effects of Changes in Foreign Exchange Rates, provided an accounting treatment to Companies with respect to exchange diffferences arising on restatement of long-term foreign currency monetary items. Exchange differences in respect of items other than those related to acquisition of depreciable assets, could be accumulated in a foreign currency monetary item translation difference account ('FCMITDR'), and amortised over the balance period of such long term monetary item or upto 31st March, 2020, whichever is earlier. Ind AS provides an option to group to continue the above accounting treatment in respect of long term foreign currency items recognised in the financial statements for the period ending immediately before the beginning of the first Ind As reporting period. The Group has elected this option.

(xi) Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(xii) Employee benefits:

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

Defined contribution plans

The Group's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out by an independent actuary at the end of each reporting period. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Curtailment gains and losses are accounted for as past service costs. Past service cost is recognized in profit or loss in the period of a plan amendment.

The obligation recognized in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflow expected to be made by the group in respect of services provided by employees upto the reporting date.

(xiii) Share based payment arrangements:

Equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based transactions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

(xiv) Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred taxes are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on the tax rates and the tax laws enacted or substantively enacted as at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(xv) Property, plant and equipment:

Land and buildings held for use in the supply or production of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

PPE in the course of construction for supply, production or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Category of Asset	Estimated useful lives
Leasehold Building	Period of lease
Buildings (other than those mentioned below)	20 - 60 years
Floating cottages (grouped under buildings)	25 years
Plant & equipment	5 - 10 years
Furniture and Fixtures (other than those mentioned below)	5 - 10 years
Furniture and Fixtures (in Club Mahindra Holiday World)	3 years
Vehicles (other than those mentioned below)	8 years
Vehicles/other assets provided to employees	4/5 years
Office equipment	5 years

The tangible assets of the overseas operations have also been depreciation based on useful life, estimated by the respective managements on a straight line basis.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The assets of the overseas operations have also been depreciated based on useful lives, estimated by the respective managements on a straight line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(xvi) Intangible assets:

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The intangible assets of the overseas operations have also been depreciated based on useful lives, estimated by the respective managements on a straight line basis. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

Category of Asset	Estimated useful lives
Computer Software and website development costs	3 years
Trademarks	10 years
Customer relationship	3 years
Management contracts	1-10 years

The intangible assets of the overseas operations have also been amortised based on useful life, estimated by the respective managements on a straight line basis.

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized a their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

(xvii) Impairment of tangible and intangible assets:

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(xviii) Inventories:

Inventories are carried at the lower of cost and net realizable value. Costs of inventories are determined on a moving weighted average method. Cost includes the purchase price, non-refundable taxes and delivery handling cost. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(xix) Provisions:

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(xx) Financial instruments:

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(xxi) Financial assets:

A financial asset is any asset that is:

(a) cash;

(b) an equity instrument of another entity;

(c) a contractual right:

(i) to receive cash or another financial asset from another entity; or

(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the Company; or

(d) a contract that will or may be settled in the Group's own equity instruments and is:

(i) a non-derivative for which the Company is or may be obliged to receive a variable number of the entity's own equity instruments; or

(ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments.

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Debt

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

the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments (except for debt instruments that are designated as at FVTPL on initial recognition) that meet the following conditions are subsequently measured at "fair value through other comprehensive income (FVTOCI)":

the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Interest income is recognized in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

A debt instrument that meets the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Debt instruments classified as FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The Group has not designated any debt instrument as at FVTPL.

Equity

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Equity instruments at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend earned on the financial asset and is included under 'Other income'. Dividend on financial assets at FVTPL is recognized when the Group's right to receive the dividends is established and the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Equity instruments at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend earned on the financial asset and is included under 'Other income'. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Investments in equity instruments of subsidiaries, joint ventures and associates are measured at cost.

Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, and other contractual rights to receive cash or other financial asset not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses considering the nature of industry and the deferred payment schemes operated.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Foreign exchange gains and losses on financial assets

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognized in profit or loss.

Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in other comprehensive income.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income.

(xxii) Financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

A financial liability is any liability that is:

(a) a contractual obligation :

  (i) to deliver cash or another financial asset to another entity; or

  (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or

(b) a contract that will or may be settled in the Group's own equity instruments and is:

  (i) a non-derivative for which the Group is or may be obliged to deliver a variable number of the Group's own equity instruments; or

  (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the Group offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Apart from the aforesaid, the equity conversion option embedded in a convertible bond denominated in foreign currency to acquire a fixed number of the Group's own equity instruments is an equity instrument if the exercise price is fixed in any currency.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

a) it has been incurred principally for the purpose of repurchasing it in the near term; or

b) on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

c) it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

b) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Group is provided internally on that basis; or

c) it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' / 'Other expenses' line item as appropriate.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included under 'Finance costs'.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risks, including interest rate swaps. Further details of derivative financial instruments are disclosed in Note No. 43 and 44.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Foreign exchange gains and losses on financial liabilities

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognized in profit or loss.

(xxiii) Cash flow statements:

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

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

(xxiv) Earnings per share:

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed 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.

(xxv) **Insurance Claims:**

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

(xxvi) **Operating cycle:**

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

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described above, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below :

a. **Share based payments**

The Group initially measures the cost of equity settled transactions with employees using the Black Scholes model to determine the fair value of the options granted. Estimating the fair value of the share options granted require determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating the fair value for the share based payment transactions are disclosed under Note No. 43 and 44.

b. **Defined benefit plans (gratuity)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about the gratuity obligation are disclosed under Note No. 42.

c. **Intangible assets under development**

The Group capitalizes intangibles underdevelopment in accordance with the accounting policy. Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed.

d. **Revenue recognition based on percentage-of-completion method**

The Group uses the percentage-of-completion method in accounting for its villa projects. The use of the percentage of completion method reflects the pattern in which the obligations to the customer are fulfilled. The Group has used an input-based approach since the input measures are a reasonable surrogate for output measures. Provisions for estimated losses on such engagements are made during the period in which a loss becomes probable and can be reasonably estimated.

e. **Life time Expected credit losses**

Life time expected credit loss allowance is computed based on historical credit loss experience and adjusted for forward-looking information on collection .

f. **Estimation towards revenue derecognition at inception**

The quantum of upfront derecognition is computed based on past trends of year-wise cancellation of memberships and considering factors impacting future trends.

g. **Significant Financing Component**

Given the nature of vacation ownership business, the Company has determined that membership fee does not include a significant financing component. Where the payment is received in installments, the Company charges appropriate interest to the members.

All amounts are in INR Lacs unless otherwise stated

Note No. 4 - Property, Plant and Equipment:

Description of Assets	Land - Freehold	Buildings - Freehold	Buildings - Leasehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block								
Balance as at April 1, 2017	22,662.46	78,008.38	156.09	29,572.88	2,393.49	18,551.25	1,129.87	152,474.42
Additions	273.58	8,099.93	-	-	114.48	6,792.43	157.52	15,437.94
Disposals	-	(53.75)	-	(213.58)	(16.36)	(6.32)	(33.95)	(323.96)
Others (including reclassifications)	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	776.43	10,141.09	-	3,548.75	-	2,226.16	(0.01)	16,692.42
Balance as at March 31, 2018	**23,712.47**	**96,195.65**	**156.09**	**32,908.05**	**2,491.61**	**27,563.52**	**1,253.43**	**184,280.82**
II. Accumulated depreciation								
Balance as at April 1, 2017	-	8,644.09	156.09	14,170.87	2,039.63	11,177.21	521.46	36,709.35
Depreciation expense for the year	-	2,295.93	-	3,635.92	175.46	1,998.09	132.65	8,238.05
Eliminated on disposal of assets	-	(3.79)	-	(119.74)	(11.79)	(5.66)	(22.00)	(162.98)
Others (including reclassifications)	-	474.33	-	(3,384.35)	(0.01)	2,910.03	-	-
Effect of foreign currency exchange differences	-	3,609.80	-	1,841.97	(3.29)	1,581.44	-	7,029.92
Balance as at March 31, 2018	**-**	**15,020.36**	**156.09**	**16,144.67**	**2,200.00**	**17,661.11**	**632.11**	**51,814.34**
Net block (I-II)								
Balance as at March 31, 2018	**23,712.47**	**81,175.29**	**-**	**16,763.38**	**291.61**	**9,902.41**	**621.32**	**132,466.48**
Balance as at March 31, 2017	22,662.46	69,364.29	-	15,402.01	353.86	7,374.04	608.41	115,765.07

Description of Assets	Land - Freehold	Buildings - Freehold	Buildings - Leasehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block								
Balance as at April 1, 2016	22,472.25	79,767.56	156.09	29,070.58	2,299.54	18,320.90	1,104.45	1,53,191.37
Additions	917.48	666.82	-	2,590.38	124.60	1,496.22	99.96	5,895.46
Disposals	(449.44)	(172.41)	-	(525.84)	(41.15)	(887.75)	(74.89)	(2,151.48)
Others (including reclassifications)	-	(987.91)	-	(394.35)	10.50	178.66	0.35	(1,192.75)
Effect of foreign currency exchange differences	(277.83)	(1,265.68)	-	(1,167.89)	-	(556.78)	-	(3,268.18)
Balance as at March 31, 2017	**22,662.46**	**78,008.38**	**156.09**	**29,572.88**	**2,393.49**	**18,551.25**	**1,129.87**	**1,52,474.42**
II. Accumulated depreciation								
Balance as at April 1, 2016	-	8,002.78	113.30	11,646.91	1,897.45	9,926.25	451.72	32,038.41
Depreciation / amortisation expense for the year	-	2,019.00	42.79	4,085.15	176.68	2,306.86	132.27	8,762.75
Eliminated on disposal of assets	-	(141.32)	-	(453.10)	(40.92)	(883.65)	(62.66)	(1,581.65)
Others (including reclassifications)	-	(947.61)	-	(429.58)	6.42	172.44	0.13	(1,198.20)
Effect of foreign currency exchange differences	-	(288.76)	-	(678.51)	-	(344.69)	-	(1,311.96)
Balance as at March 31, 2017	**-**	**8,644.09**	**156.09**	**14,170.87**	**2,039.63**	**11,177.21**	**521.46**	**36,709.35**
Net block (I-II)								
Balance as at March 31, 2017	**22,662.46**	**69,364.29**	**-**	**15,402.01**	**353.86**	**7,374.04**	**608.41**	**115,765.07**
Balance as at March 31, 2016	22,472.25	71,764.78	42.79	17,423.67	402.09	8,394.65	652.73	121,152.96

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 5 - Goodwill

Particulars	As at March 31, 2018	As at March 31, 2017
I. Cost		
Balance at beginning of the year	**6,826.36**	7,196.33
Translation and other adjustments	**2,957.88**	(369.97)
Balance at end of the year	**9,784.23**	6,826.36
II. Accumulated impairment losses	**-**	-
III. Net carrying amount (I-II)	**9,784.23**	6,826.36

The Goodwill is tested for impairment and accordingly no impairment charges were identified for the year ended March 31, 2018 and March 31, 2017.

The Goodwill arises from the following Group's Cash Generating Units (CGU):

Particulars	As at March 31, 2018	As at March 31, 2017
MHRIL	**2,534.29**	2,534.29
HCRO	**7,249.94**	4,292.07
Total	**9,784.23**	6,826.36

The recoverable amount of a CGU is based on its value in use. The value in use is estimated using discounted cash flows over a period of 5 years. Cash flows beyond 5 years is estimated by capitalising the future maintainable cash flows by an appropriate capitalisation rate and then discounted using pre-tax discount rate.

Operating margins and growth rates for the five year cash flow projections have been estimated based on past experience and after considering management approved financial budgets/forecasts. Other key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industry and have been based on historical data from both external and internal sources.

Particulars	As at March 31, 2018	As at March 31, 2017
Pre tax discount rate	**12%**	12%

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the CGU.

All amounts are in INR Lacs unless otherwise stated

Note No. 6 - Other Intangible Assets

Description of Assets	Computer Software & Website development cost	Trademarks	Management Contracts	Customer Relationships	Total
I. Gross Carrying Amount					
Balance as at April 1, 2017	8,677.15	1,191.18	865.17	186.99	10,920.49
Additions	1,575.08	-	-	-	1,575.08
Disposals	-	-	-	-	-
Others (including reclassifications)	-	-	-	-	-
Effect of foreign currency exchange differences	526.65	196.17	142.48	30.79	896.09
Balance as at March 31, 2018	**10,778.88**	**1,387.35**	**1,007.65**	**217.78**	**13,391.66**
II. Accumulated depreciation and impairment					
Balance as at April 1, 2017	5,716.30	188.61	210.28	98.69	6,213.88
Amortization expense for the year	1,413.75	137.73	136.80	72.06	1,760.34
Eliminated on disposal of assets	-	-	-	-	-
Others (including reclassifications)	-	-	-	-	-
Effect of foreign currency exchange differences	1,647.07	32.06	35.75	16.78	1,731.66
Balance as at March 31, 2018	**8,777.12**	**358.40**	**382.83**	**187.53**	**9,705.88**
Net block (I-II)					
Balance as at March 31, 2018	**2,001.76**	**1,028.95**	**624.82**	**30.25**	**3,685.78**
Balance as at March 31, 2017	2,960.85	1,002.57	654.89	88.30	4,706.61

Description of Assets	Computer Software & Website development cost	Trademarks	Management Contracts	Customer Relationships	Total
I. Gross Carrying Amount					
Balance as at April 1, 2016	7,904.31	1,289.48	936.57	202.42	10,332.78
Additions	1,117.73	-	-	-	1,117.73
Disposals	(93.11)	-	-	-	(93.11)
Others (including reclassifications)	9.01	-	-	-	9.01
Effect of foreign currency exchange differences	(260.79)	(98.30)	(71.40)	(15.43)	(445.92)
Balance as at March 31, 2017	**8,677.15**	**1,191.18**	**865.17**	**186.99**	**10,920.49**
II. Accumulated depreciation and impairment					
Balance as at April 1, 2016	4,578.20	75.22	87.62	39.36	4,780.40
Amortization expense for the year	1,499.69	126.32	137.15	66.10	1,829.26
Eliminated on disposal of assets	(93.11)	-	-	-	(93.11)
Others (including reclassifications)	(124.35)	-	-	-	(124.35)
Effect of foreign currency exchange differences	(144.13)	(12.93)	(14.49)	(6.77)	(178.32)
Balance as at March 31, 2017	**5,716.30**	**188.61**	**210.28**	**98.69**	**6,213.88**
Net block (I-II)					
Balance as at March 31, 2017	**2,960.85**	**1,002.57**	**654.89**	**88.30**	**4,706.61**
Balance as at March 31, 2016	3,326.11	1,214.26	848.95	163.06	5,552.38

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 7 - Non-Current Investment:

Particulars	Face value	Currency	As At March 31, 2018		As At March 31, 2017	
			Quantity	Amount	Quantity	Amount
Equity accounted investees						
Unquoted Investments (all fully paid)						
In Equity Instruments of Associates						
Kiinteisto Oy Seniori Saimaa	0.5	EUR	**950,000**	**125.02**	950,000	107.35
Kiinteisto Oy Sallan Kylpylä	25	EUR	**49**	**144.95**	49	5.54
In Equity Instruments of Joint ventures						
Tropiikin Rantasauna Oy	25	EUR	**50**	**48.21**	50	42.96
				318.18		155.85
Unquoted Investments at FVTPL (fully paid)						
In Equity Instruments of other entities						
Mahindra World City Developers Ltd.	10	INR	**1**	**-**	1	-
Mahindra Hotels and Resorts Limited	10	INR	**20,011**	**-**	20,011	-
Kiinteisto Oy Katinkullan Pallohalli	0.21	INR	**5,947**	**142.93**	5,947	123.75
Elisa Communications A-shares	0.5	EUR	**300**	**2.87**	300	2.46
M itsenaiset Kauppiaat Oy	204	EUR	**2**	**0.81**	2	0.69
Nreach Online Services Private Limited	10	INR	**5,738**	**300.00**	5,738.00	300.00
Investments in Preference Instruments of other entities						
Guestline Hospitality Management and Development Services Limited						
(25,000 7% non-cumulative redeemable participating optionally convertible preference shares of ₹ 10/- each)	10	INR	25,000	73.18	25,000	65.59
				519.79		492.49
				837.97		648.34

Note:

A. The preference shares of Guestline Hospitality Management and Development Services Limited can be redeemed at par at the option of the investee at any time after five years but before twenty years from the date of allotment viz. 14.01.2003 or at the option of the holder be convertible into fully paid equity shares of the face value of ₹ 10 each anytime after thirty six months from the date of allotment.

Note No. 8 - Non-Current Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017
Secured - considered good	**1,016.62**	1,013.77
Unsecured - considered good	**46,497.76**	49,506.65
	47,514.38	50,520.42

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 9 - Non-Current Loans (Unsecured, Considered good)

Particulars	As at March 31, 2018	As at March 31, 2017
Security Deposits	4,289.78	3,752.08
	4,289.78	3,752.08

Note No. 10 - Other Non-Current Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017
Financial assets at amortised cost		
Bank Deposit with more than 12 months maturity	-	167.53
Other deposits	1,509.44	-
	1,509.44	167.53
Financial assets at Fair Value		
Derivatives - call option	-	333.22
	-	333.22
	1,509.44	500.75

Note No. 11(a) - Deferred Tax Assets (Net)

Particulars	As at March 31, 2018	As at March 31, 2017
Tax effect of items constituting deferred tax liabilities		
Property, Plant and Equipment	8,037.19	6,897.30
Fair valuation of financial assets	393.40	12.38
Intangible Assets	(31.05)	37.10
Other	(31.49)	(811.80)
Derivatives	24.18	(45.62)
Tax effect of items constituting deferred tax assets		
Property, Plant and Equipment	173.19	-
Employee Benefits	339.24	353.40
Receivables / Revenue derecognition	9,220.51	9,220.51
Fair valuation of financial assets	26.14	27.18
Unabsorbed Depreciation	769.73	344.83
Unabsorbed Business Losses	856.34	383.63
Other	772.79	346.06
Deferred Tax Asset (net)	3,765.71	4,586.26

Note: Deferred tax asset has been recognised on the carry forward of unabsorbed depreciation and unabsorbed business loss to the extent that it is probable that future taxable profits will be available. Accordingly, as one of the subsidiary has started earning taxable profits in the current year along with convincing evidence that sufficient future taxable profits will be available against which the unabsorbed depreciation and unabsorbed business loss can be utilised by the entity, the Group has recognised deferred tax asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 11(b) - Deferred Tax Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Tax effect of items constituting deferred tax liabilities		
Property, Plant and Equipment	-	42.30
Intangible Assets	-	21.47
Other	-	120.04
Deferred Tax Liabilities	-	183.81

Note No. 12(a) - Other Tax Assets

Particulars	As at March 31, 2018	As at March 31, 2017
Advance Income tax (Net of provisions)	**11,816.70**	10,750.77
	11,816.70	10,750.77

Note No. 12(b) - Other Non-Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017
Capital Advances	**2,658.59**	1,203.25
Prepayments	**378.00**	489.45
Taxes and duties paid under protests	**527.60**	496.54
	3,564.19	2,189.24

Note No. 13 - Inventories (At lower of cost and net realisable value)

Particulars	As at March 31, 2018	As at March 31, 2017
Vacation Ownership Units :		
Vacation ownership weeks (including vacation ownership villas)	**39,078.76**	30,937.42
Cost of associated land	**4,964.32**	4,304.57
Construction work in progress	**2,136.74**	2,297.93
Food and beverages	**811.36**	677.65
Operating supplies	**5,022.36**	1,320.98
	52,013.54	39,538.55
Cost of food and beverages recognised as an expense during the year (Refer Note 37(b))	**10,164.30**	9,543.33
Cost of vacation ownership weeks (including vacation ownership villas) recognised as an expense during the year (Refer Note 37(a))	**25,025.45**	25,593.00

All amounts are in INR Lacs unless otherwise stated

Note No. 14 - Current Investments :

Particulars	As At March 31, 2018		As At March 31, 2017	
	Units	Amount	Units	Amount
Unquoted Investments at FVTPL (all fully paid)				
Investments in Mutual Funds				
HDFC Banking and PSU Debt Fund Direct Growth	**18,838,283**	**2,672.89**	-	-
HDFC Banking and PSU Debt Fund Regular Growth	**18,990,195**	**2,669.74**	-	-
ICICI Prudential Short Term Growth Option	**6,692,666**	**2,422.42**	-	-
ICICI Prudential Short Term Direct Growth Option	**3,892,551**	**1,459.06**		
ICICI Prudential Income Opportunities Fund Reg Growth	**902,786**	**219.08**	-	-
ICICI Prudential Income Opportunities Fund Direct Plan Growth	**2,336,349**	**578.16**	-	-
IDFC Corporate Bond Fund Regular Plan Growth	**14,043,341**	**1,669.50**	-	-
IDFC Corporate Bond Fund Direct Plan Growth	**34,982,465**	**4,187.51**	-	-
Birla Sun Life Floating Rate Fund-Long Term Plan Growth	**966,662**	**2,056.67**	-	-
Birla Sun Life Floating Rate Fund-Long Term Plan Growth Direct	**948,356**	**2,042.06**	-	-
HDFC Floating Rate Income Fund Short Term Plan Wholesale Growth	**6,936,919**	**2,097.97**	-	-
HDFC Floating Rate Income Fund Short Term Plan Wholesale Direct Plan Growth	**6,696,488**	**2,034.55**		
ICICI Prudential Flexible Income Growth	**269,270**	**897.03**	-	-
ICICI Prudential Flexible Income Growth Direct	**609,780**	**2,042.11**	-	-
Mahindra Liquid Fund - Dir - Growth	**694,854**	**7,812.70**	-	-
ICICI Prudential Flexible Income Plan - Reg - Dly Dividend	**1,286,302**	**1,360.08**	-	-
Kotak Treasury Advantage Fund Regular Plan Growth	**7,506,213**	**2,086.25**	-	-
Kotak Treasury Advantage Fund Regular Direct Plan Growth	**7,202,341**	**2,033.26**		
UTI Treasury Advantage fund Institutional Growth	**87,167**	**2,087.74**	-	-
UTI Treasury Advantage fund Direct Institutional Plan Growth	**84,522**	**2,039.98**	-	-
Franklin India Ultra Short Bond Fund - Super IP - Dly Dividend	**-**	**-**	2,575,089	259.62
Birla Sun Life Floating Rate Fund - STP - Reg - Dly Dividend	**-**	**-**	631,766	631.89
HDFC Liquid Fund - Dly Dividend	**-**	**-**	113,415	1,156.62
ICICI Prudential Liquid - Reg - Dly Dividend	**-**	**-**	420,481	420.90
Kotak Floater - ST - Reg - Dly Dividend	**-**	**-**	114,441	1,157.71
Tata Liquid Fund - Reg - Dly Dividend	**-**	**-**	37,360	416.38
Tata Money Market Fund - Reg - Dly Dividend	**-**	**-**	73,535	736.46
Tata Floater Fund - Reg - Dly Dividend	**-**	**-**	103,469	1,038.34
HDFC F R I F - STF - WP - Daily Dividend	**-**	**-**	12,879,068	1,298.33
ICICI Prudential Flexible Income Plan - Reg - Dly Dividend	**-**	**-**	1,229,352	1,299.87
IDFC Ultra Short Term Fund - Reg - Dly Dividend	**-**	**-**	2,565,783	258.40
Kotak Treasury Advantage Fund - Dly Dividend	**-**	**-**	10,285,597	1,036.77
Aggregate book value of unquoted investments	**133,967,510**	**44,468.76**	**31,029,355**	**9,711.29**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 15 - Trade Receivables (Unsecured)

Particulars	As at March 31, 2018	As at March 31, 2017
Secured - considered good	**5,468.05**	8,649.15
Unsecured - considered good	**102,046.69**	93,348.00
Doubtful	**3,729.18**	7,799.95
Less: Allowance for Credit Losses	**(3,729.18)**	(7,799.95)
	107,514.74	101,997.15

Note No. 16 - Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks	**4,810.44**	5,639.79
Cash on hand	**71.17**	71.80
Bank Deposit with less than 3 months original maturity	**750.12**	13,900.00
	5,631.73	19,611.59

Note No. 17 - Other Bank Balances

Particulars	As at March 31, 2018	As at March 31, 2017
Earmarked balances with banks (unpaid dividend)	**6.86**	6.01
Bank Deposits maturity greater than three months and less than twelve months	**1,563.41**	1,805.90
	1,570.27	1,811.91

Note No. 18 - Loans (Unsecured, Considered good)

Particulars	As at March 31, 2018	As at March 31, 2017
Loans including employee advances	**38.27**	30.37
	38.27	30.37

Note No. 19 - Other Current Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017
Financial assets at amortised cost		
Insurance claims receivable	**3.86**	-
Other receivables (refer note no. 49)	**795.28**	-
Other Deposits	**503.66**	421.01
	1,302.80	421.01

All amounts are in INR Lacs unless otherwise stated

Note No. 20 - Other Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017
With Government authorities (excluding income taxes)	**2,176.04**	496.39
Prepayments	**4,802.27**	3,406.30
Advance to suppliers:		
Considered good*	**574.49**	1,645.45
Considered doubtful	**250.00**	250.00
Less: Provision for doubtful advances	**(250.00)**	(250.00)
	7,552.80	5,548.14

* Includes advances given to related parties - ₹ 250 lacs

Note No. 21 - Equity Share Capital

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	**Amount**	No. of Shares	Amount
Authorised:				
Equity shares of ₹ 10 each with voting rights	**150,000,000**	**15,000.00**	100,000,000	10,000.00
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	**133,443,784**	**13,344.38**	88,780,856	8,878.09
Treasury Shares (par value)	**(684,290)**	**(68.43)**	(546,360)	(54.64)
	132,759,494	**13,275.95**	88,234,496	8,823.45

Treasury shares represents equity shares of ₹ 10/- each fully paid up allotted to Mahindra Holidays and Resorts India Limited Employees' Stock Option Trust ('ESOP Trust') but not exercised by employees.

21 a) Terms / rights attached to equity shares:

i) The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity share is entitled to one vote per share.

ii) The dividends proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

iii) For the year ended March 31, 2018, the amount of dividend proposed to be distributed to equity shareholders is ₹ 5,337.75 lacs at ₹ 4 per share (Previous year ₹ 4,441.79 lacs at ₹ 5 per share).

iv) Repayment of capital will be in proportion to the number of equity shares held.

21 b) Shares in the Company held by Holding Company:

Name of shareholder	No. of shares	% held as at March 31, 2018	No. of shares	% held as at March 31, 2017
Mahindra & Mahindra Limited (Holding Company)	**89,890,615**	**67.36%**	59,927,077	67.50%

21 c) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	No. of shares	% held as at March 31, 2018	No. of shares	% held as at March 31, 2017
Mahindra & Mahindra Limited	**89,890,615**	**67.36%**	59,927,077	67.50%
HDFC Trustee Company	**7,193,250**	**5.39%**	4,758,654	5.36%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 21 - Equity Share Capital : (Contd.)

21 d) The reconciliation of the number of shares outstanding as at March 31, 2018 and March 31, 2017 is set out below:-

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	**In ₹ Lacs**	No. of Shares	In ₹ Lacs
Number of shares at the beginning	**88,234,496**	**8,823.45**	88,058,418	8,805.84
Add: Bonus Shares issued during the year	**44,417,928**	**4,441.79**	-	-
Add: Shares issued on exercise of employee stock options	**369,771**	**36.98**	176,078	17.61
Less: Shares issued to ESOP Trust as Bonus Shares	**(262,701)**	**(26.27)**	-	-
Number of shares at the end	**132,759,494**	**13,275.95**	88,234,496	8,823.45

21 e) The Board of Directors at its meeting held on May 19, 2017 had approved issue of bonus shares in the proportion of 1:2, i.e. 1(one) bonus equity share of ₹ 10/- each for 2(two) fully paid up equity shares which was allotted on July 12, 2017 on approval being received in the shareholder's meeting.

21 f) i) Under the Employee Stock Option Scheme ("ESOS 2006") equity shares are allotted to the ESOP Trust set up by the Company. The ESOP Trust holds these shares for the benefit of the eligible employees/directors as defined under the scheme and transfers these shares to them as per the recommendation of the remuneration committee.

ii) The Company formulated the Employee Stock Option Scheme ("ESOS 2014"), under which the Company has the option to issue and allot the shares either directly to the eligible employees/directors or through the ESOP Trust. To the extent allotted, ESOP Trust would hold these shares for the benefit of the eligible Employees/Directors as defined under the scheme and would transfer the shares to them as per the recommendation of the remuneration committee.

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

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

Particulars	Date of Grant	Original Exercise price (in ₹)	Adjusted Exercise Price upon issue of Bonus shares	Average Exercise Price (in ₹)	Vesting period (in Yrs)	No. of options granted	Contractual life	Vesting condition	No. of options exercisable in each tranche
Grant I (ESOS 2006)	15/07/2006	16.00	N.A.	6.00	5	759,325	6 yrs from the date of grant	refer note (a) below	Minimum of 25 and a maximum of all the options vested but not exercised till that date.
Grant II (ESOS 2006)	30/03/2007	52.00	N.A.	19.50	4	122,235	5 yrs from the date of each vesting	25% each on expiry of 12,24,36 and 48 months from the date of grant.	
Grant III (ESOS 2006)	11/01/2007	52.00	N.A.	19.50	4	56,700			
Grant V (ESOS 2006)**	11/01/2008	52.00	34.67	52.00	4	261,590			
Grant VI (ESOS 2006)#	21/02/2012	370.00	N.A.	370.00	4	400,000			
Grant VII (ESOS 2006)##	21/02/2012	323.00	215.33	-	4	186,500			
Grant VIII (ESOS 2006)**	31/01/2013	323.00	215.33	323.00	4	130,000			
Grant IX (ESOS 2006)**	29/01/2014	253.00	N.A.	253.00	4	35,000			
Grant I (ESOS 2014)	22/01/2015	264.00	176.00	-	4	620,000			refer note (b) below
Grant II (ESOS 2014) **	27/10/2015	365.00	243.33	-	4	110,000			
Grant III (ESOS 2014)	18/02/2016	370.00	246.67	-	4	200,000			
Grant IV (ESOS 2014)	31/01/2017	406.00	270.67	-	4	80,000			
Grant V (ESOS 2014)	02/08/2017	410.00	N.A.	-	4	60,000			

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

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

All amounts are in INR Lacs unless otherwise stated

Note No. 21 - Equity Share Capital : (Contd.)

iv) Summary of Stock options (including bonus shares)

Particulars	Date of Grant	Options outstanding as on 1.4.2017	Options granted during the year	Options augmented upon issue of Bonus shares	Options vested during the year	Options exercised during the year	Options lapsed during the year	Options outstanding as on 31.03.2018	Options vested but not exercised
Grant I (ESOS 2006)	15/07/2006		Closed						
Grant II (ESOS 2006)	30/03/2007		Closed						
Grant III (ESOS 2006)	11/01/2007		Closed						
Grant V (ESOS 2006)**	11/01/2008	3,601	-	1,320	-	958	3,963	-	-
Grant VI (ESOS 2006)#	21/02/2012	17,000	-	-	-	17,000	-	-	-
Grant VII (ESOS 2006)##	21/02/2012	94,250	-	47,125	-	65,813	-	75,562	75,562
Grant VIII (ESOS 2006)**	31/01/2013	121,000	-	59,000	-	26,000	-	154,000	154,000
Grant IX (ESOS 2006)**	29/01/2014		Closed						
Grant I (ESOS 2014)	22/01/2015	605,000	-	300,000	225,000	120,000	75,000	710,000	560,000
Grant II (ESOS 2014)**	27/10/2015	110,000	-	55,000	41,250	-	-	165,000	82,500
Grant III (ESOS 2014)	18/02/2016	200,000	-	75,000	75,000	125,000	-	150,000	-
Grant IV (ESOS 2014)**	31/01/2017	80,000	-	40,000	30,000	15,000	45,000	60,000	-
Grant V (ESOS 2014)**	02/08/2017	-	60,000	-	-	-	-	60,000	-
Total		**1,230,851**	**60,000**	**577,445**	**371,250**	**369,771**	**123,963**	**1,374,562**	**872,062**

** Issued out of lapsed options.

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

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

The fair value of options as certified by independent valuer as of the respective dates of grant i.e. 21st February 2012 is ₹ 113.81 for Grant VI (ESOS 2006), ₹ 129.93 for Grant VII (ESOS 2006), 31st January 2013 is ₹ 94.43 for Grant VIII (ESOS 2006), 29th January 2014 is ₹ 83.75 for Grant IX (ESOS 2006), 22nd January 2015 is ₹ 97.24 for Grant I (ESOS 2014), 27th October 2015 is ₹ 158.85 for Grant II (ESOS 2014), 18th February 2016 is ₹ 126.91 for Grant III (ESOS 2014), 31st January 2017 is ₹ 150.35 for Grant IV (ESOS 2014) and 2nd August 2017 is ₹ 161.83 for Grant V (ESOS 2014).

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

Grant details	Grant Date	Risk free interest rate	Expected life	Expected volatility	Expected dividend yield
Grant VI & VII (ESOS 2006)	21/02/2012	8.00%	6.00	33%	₹ 4.00
Grant VIII (ESOS 2006)	31/01/2013	7.78%	3.50	31%	1.38%
Grant IX (ESOS 2006)	29/01/2014	8.81%	3.50	29%	1.66%
Grant I (ESOS 2014)	22/01/2015	7.74%	3.50	29%	1.48%
Grant II (ESOS 2014)	27/10/2015	7.52%	3.50	30%	1.01%
Grant III (ESOS 2014)	18/02/2016	7.51%	3.50	34%	1.15%
Grant IV (ESOS 2014)	31/01/2017	6.40%	3.50	35%	1.22%
Grant V (ESOS 2014)	02/08/2017	6.31%	3.00	45%	0.42%

The weighted average share price at the date of exercise for options was ₹ 239.96 per share (March 31, 2017 ₹ 357.42 per share) and weighted average remaining contractual life for the share options outstanding as at March 31, 2018 was 3.84 years (March 31, 2017 4.80 years)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 22 - Other Equity

Particulars	As at March 31, 2018	As at March 31, 2017
General reserve	**10,381.68**	10,384.36
Securities premium reserve	**10,067.73**	13,805.68
Share options outstanding account	**1,117.47**	845.39
Retained earnings	**35,459.17**	27,676.97
Capital reserve	**44.75**	44.75
Capital redemption reserve	**145.80**	145.80
Other Comprehensive Income-Acturial Gain / Loss	**(84.60)**	(13.03)
Foreign Currency Translation Reserve	**2,543.62**	(3,650.86)
FCMITDR	**(1,806.58)**	1,676.09
	57,869.04	50,915.15

Notes :

a) **General reserve:** The general reserve is used from time to time to transfer net profits from retained earnings for appropriation purposes.

b) **Securities Premium Reserve:** Securities premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, write-off equity related expenses like share issue expenses, etc.

c) **Share Options Outstanding Account:** The Company has share option schemes under which options to subscribe the shares of the Company have been granted to certain eligible employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

d) **Capital Reserve:** Capital Reserves are mainly the reserves created during business combination for the gain on bargain purchase and common control mergers. It is not available for distribution as dividend.

e) **Capital Redemption Reserve:** The capital redemption reserve is used towards issue of fully paid bonus shares of the Company.

f) **Foreign Currency Translation Reserve:** Exchange variation on translating net assets of Holiday Club Resorts Oy and HCR Management Oy is accounted under this reserve.

g) **Foreign Currency Monetary Item Translation Difference Reserve:** It represents the net translation differences on external commercial borrowings which will be amortised over the balance period of the loan.

Note No. 23 - Non Controlling Interest

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	**2,825.46**	3,069.57
Add: Share of profit/(loss) for the year	**123.51**	(472.56)
Less: Changes in NCI stake	**(213.38)**	228.45
Balance at end of year	**2,735.59**	2,825.46

All amounts are in INR Lacs unless otherwise stated

Note No. 24 - Non-current borrowings (At amortised cost)

Particulars	As at March 31, 2018	As at March 31, 2017
Secured Borrowings		
Term Loans		
From Banks (refer note 1 below)	**53,415.40**	14,771.23
From Others (refer note 3 below)	**8,066.00**	5,636.67
Unsecured Borrowings		
Term Loans (refer note 2 below)		
From Banks	**7,228.01**	39,002.21
From Others	**2,626.24**	9,970.75
	71,335.65	69,380.86

Note:

Term Loans are availed by subsidiaries.

1) Term loans from banks and others are secured by a charge on unsold vacation ownership inventory weeks and mortgage/ hypothecation of specific properties. These loans are repayable between FY 2018-19 to FY 2023-24 and carry an interest rate pegged to EURIBOR/MCLR.

2) Term loans from banks and others loans are repayable between 2018-2022 and carry an interest rate pegged to EURIBOR/ BIBOR.

3) Term loan from RCI amounting to ₹ 806,600,000 (PY ₹ 692,550,000) on which interest has been waived for the current year (and previous year) and is repayable on August 14, 2019.

Note No. 25 - Other Financial Liabilities (At amortised cost)

Particulars	As at March 31, 2018	As at March 31, 2017
Retention Money	**4,773.30**	3,889.20
	4,773.30	3,889.20

Note No. 26 - Non-Current Provisions

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits - Compensated absences	**724.34**	859.68
	724.34	859.68

Note No. 27 - Other Non-Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Revenue - Entitlement fee	**204,424.02**	187,801.25
	204,424.02	187,801.25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 28 - Current Borrowings (Secured)

Particulars	As at March 31, 2018	As at March 31, 2017
Cash Credit From Banks	**2,494.34**	1,819.27
	2,494.34	1,819.27

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

Note No. 29 - Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017
Trade payable for goods & services (other than Micro & Small Enterprises) (refer note no. 49)	**26,097.59**	23,518.32
Due to Micro & Small Enterprises (refer note 47)	**59.69**	22.94
	26,157.28	23,541.26

Note No. 30 - Other Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Current maturities of long term borrowings	**7,160.04**	6,221.82
Creditors for capital supplies/services	**1,761.80**	642.44
Commission payable to non-whole time directors	**184.00**	184.00
Unpaid Dividend *	**6.84**	6.00
Employee benefits payable	**9,690.29**	7,322.53
Derivatives (Interest rate swaps)	**379.66**	520.98
Obligation to acquire non controlling interest	**2,678.20**	1,654.52
Other payables	**15,416.03**	5,099.78
	37,276.86	21,652.07

* There are no amounts due and outstanding to be transferred to Investor Education and Protection Fund as at March 31, 2018

Note No. 31 - Provisions

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits		
- Gratuity	**82.61**	26.75
- Compensated absences	**255.88**	161.46
- Others	**13.60**	-
	352.09	188.21

All amounts are in INR Lacs unless otherwise stated

Note No. 32(a) - Deferred Revenue

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Revenue - Entitlement fee	**12,187.12**	10,949.42
Deferred Revenue - Annual subscription fee	**12,238.79**	10,731.33
	24,425.91	21,680.75

Note No. 32(b) - Other Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Taxes (excluding income taxes) and other statutory dues	**3,789.30**	2,305.98
	3,789.30	2,305.98

Note No. 33 - Revenue from Operations

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Income from operations		
Revenue from sale of vacation ownership*	**54,493.21**	58,327.78
Revenue from sale of vacation ownership weeks	**28,377.27**	27,919.42
Revenue from sale of vacation ownership weeks in villas	**27,043.06**	29,101.34
Income from resorts :		
Room rentals	**28,403.11**	24,766.95
Other rentals	**1,473.37**	1,390.28
Club, sport & spa	**11,928.53**	9,770.48
Resort management	**4,958.49**	4,850.20
Events, conferences and other activities	**3,513.26**	2,546.96
Food and beverages	**28,219.51**	25,962.01
Wine and liquor	**5,099.41**	4,579.03
Others	**5,019.22**	4,525.53
Annual subscription fee	**21,668.45**	21,007.44
	220,196.89	214,747.43
Other operating revenue		
Interest income on installment sales	**8,829.94**	8,868.46
Income from sale of land inventory	**-**	561.91
Miscellaneous income	**2,665.37**	2,483.36
	11,495.31	11,913.73
	231,692.20	226,661.16

*Discounts offered to customers of ₹ 2,191 lacs (Previous year-₹ 1,555 lacs) have been presented as a reduction from revenue

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 34 - Other income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Income on Financial Assets at Amortised Cost		
On deposits with bank	**298.94**	418.35
On others	**319.85**	349.96
Dividend Income		
Dividend income from current investments	**177.81**	423.46
Profit on sale of property, plant and equipment (net)	**613.71**	-
Net foreign exchange gain	**139.84**	1,169.97
Net gain arising on financial assets designated as at FVTPL	**1,593.18**	9.46
Net gain arising on derivative instruments	**75.38**	410.34
Others	**146.91**	1.63
	3,365.62	2,783.17

Note No. 35 - Employee Benefits Expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages, including bonus	**45,203.71**	42,370.38
Contribution to Provident and other funds	**4,829.40**	4,477.56
Equity-settled share-based payments	**272.06**	350.98
Staff welfare expenses	**4,046.25**	4,078.07
	54,351.42	51,276.99

Note No. 36 - Finance costs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest on borrowings	**2,198.95**	1,966.34
Translation difference on borrowings	**4,139.77**	-
Changes in obligation to acquire non controlling interest	**33.93**	5.23
	6,372.65	1,971.57

Note No. 37 (a) - Cost of vacation ownership weeks

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
Vacation ownership weeks, vacation ownership weeks in villas including construction work in progress and cost of associated land:				
Opening stock	**37,539.92**		36,809.12	
Add: Purchases	**33,665.35**		26,323.81	
Less: Closing stock	**46,179.82**		37,539.92	
		25,025.45		25,593.00
		25,025.45		25,593.00

All amounts are in INR Lacs unless otherwise stated

Note No. 37 (b) - Other Expenses

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
Cost of food and beverages consumed				
Opening stock	**677.65**		642.69	
Add: Purchases	**10,298.01**		9,578.29	
Less: Closing stock	**811.36**		677.65	
		10,164.30		9,543.33
Operating supplies		**4,654.35**		4,794.01
Power & Fuel		**7,770.17**		7,481.71
Rent including lease rentals		**22,481.23**		20,730.30
Rates and taxes		**1,529.65**		1,860.98
Insurance		**617.63**		471.58
Repairs and maintenance				
Buildings and Resorts		**7,498.25**		7,051.79
Office equipment		**803.25**		734.10
Others		**3,424.68**		3,497.26
Advertisement		**968.28**		956.90
Sales promotion expenses		**24,881.28**		27,307.93
Travelling and Conveyance Expenses		**3,213.07**		3,044.05
Commission and other customer offers		**3,225.37**		3,459.56
Provision for doubtful trade and other receivables, loans		**555.77**		3,091.11
Auditors remuneration and out-of-pocket expenses*				
For Statutory Audit		**223.99**		285.87
For Other services		**46.87**		66.69
For reimbursement of expenses		**1.32**		1.54
Directors' fees		**51.23**		50.11
Commission to non whole time directors		**184.00**		184.00
Legal and other professional costs		**2,764.46**		3,185.13
Communication		**1,383.64**		1,355.51
Software charges		**610.60**		738.84
Housekeeping & Laundry		**4,774.63**		4,512.06
Service charges		**7,544.02**		7,877.80
Bank charges		**2,254.26**		1,257.21
Expenditure on corporate social responsibility (CSR) (Refer note 45)		**340.20**		288.00
Loss on sale of property, plant and equipment (net)		**-**		62.04
Miscellaneous expenses		**5,667.11**		3,713.94
		117,633.61		117,603.35

* Includes payments made to auditors of subsidiary companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 38 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current Tax:		
In respect of current year	**7,426.56**	7,902.73
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**953.65**	(45.62)
Total income tax expense on continuing operations	**8,380.21**	7,857.11

(b) Income tax recognised in other Comprehensive income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current Tax		
Remeasurement of defined benefit obligations	**(37.87)**	(1.55)
	(37.87)	(1.55)
Classification of income tax recognised in other comprehensive income:		
Income taxes related to items that will not be reclassified to profit or loss	**37.87**	1.55
Income taxes related to items that will be reclassified to profit or loss	**-**	-
	37.87	1.55

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit before tax from continuing operations	**21,657.25**	22,412.36
Income tax expense calculated at 34.608%	**7,495.14**	7,756.47
Effect of income that is exempt from taxation	**(33.84)**	(273.63)
Effect of expenses that is non-deductible in determining taxable profit	**(26.96)**	120.28
Effect of previous year losses on which DTA is recognised in current year	**15.85**	(50.83)
Effect of current year losses for which no DTA was recognised	**(77.54)**	(586.48)
Difference in tax rate in foreign jurisdiction	**1,007.55**	306.73
Tax incentives	**-**	390.13
Changes in estimates related to previous year	**-**	194.43
Income tax expense recognised In profit or loss from continuing operations	**8,380.21**	7,857.11

The tax rate used for the 31 March 2018 and 31 March 2017 reconciliations above is the corporate tax rate of 30% plus surcharges and cess (applicable rate @ 34.608%) payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

All amounts are in INR Lacs unless otherwise stated

Note No. 38 - Current Tax and Deferred Tax (Contd.)

(i) Movement in deferred tax balances

Particulars	For the Year ended March 31, 2018				
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Effect of change in Foreign Currency	Closing Balance
Tax effect of items constituting deferred tax liabilities					
Property, Plant and Equipment	(6,939.59)	(209.74)	-	(887.85)	(8,037.18)
Fair valuation of financial assets	(12.38)	(381.02)	-	-	(393.40)
Intangible Assets	(58.57)	-	-	89.62	31.05
Other	691.76	398.15	-	(1,058.42)	31.49
Derivatives	45.62	-	-	(69.80)	(24.18)
	(6,273.16)	**(192.61)**	**-**	**(1,926.45)**	**(8,392.23)**
Tax effect of items constituting deferred tax assets					
Property, Plant and Equipment	-	173.19	-	-	173.19
Employee Benefits	353.39	(14.15)	-	-	339.24
Receivables / Revenue derecognition*	9,220.51	-	-	-	9,220.51
Straight lining of lease rentals	-	-	-	-	-
Fair valuation of financial assets	27.18	(1.04)	-	-	26.14
Unabsorbed Depreciation	344.83	-	-	424.90	769.73
Unabsorbed Business Losses	383.63	124.77	-	347.94	856.34
Other	346.06	(55.27)	-	481.99	772.79
	10,675.60	227.50	-	1,254.83	12,157.94
Net Tax Asset (Liabilities)	**4,402.44**	**34.89**	**-**	**(671.62)**	**3,765.71**

* The movement of deferred tax disclosed is after considering the trade receivables written off during the year and provision for revenue derecognition made during the year.

Particulars	For the Year ended March 31, 2017				
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Effect of change in Foreign Currency	Closing Balance
Tax effect of items constituting deferred tax liabilities					
Property, Plant and Equipment	(6,585.84)	(307.57)	-	(46.18)	(6,939.59)
Fair valuation of financial assets	(12.38)	-	-	-	(12.38)
Intangible Assets	(18.67)	(43.82)	-	3.92	(58.57)
Other	1,330.19	(569.53)	-	(68.90)	691.76
Derivatives	49.38	-	-	(3.76)	45.62
	(5,237.32)	**(920.92)**	**-**	**(114.92)**	**(6,273.16)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 38 - Current Tax and Deferred Tax (Contd.)

Particulars	For the Year ended March 31, 2017				
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Effect of change in Foreign Currency	Closing Balance
Tax effect of items constituting deferred tax assets					
Employee Benefits	228.26	125.13	-	-	353.39
Receivables / Revenue derecognition	8,493.73	726.78	-	-	9,220.51
Straight lining of lease rentals	-	-	-	-	-
Fair valuation of financial assets	27.60	(0.42)	-	-	27.18
Unabsorbed Depreciation	373.26	-	-	(28.43)	344.83
Unabsorbed Business Losses	457.87	(41.74)	-	(32.50)	383.63
Other	214.71	156.79	-	(25.44)	346.06
	9,795.43	966.54	-	(86.37)	10,675.60
Net Tax Asset (Liabilities)	**4,558.11**	**45.62**	**-**	**(201.29)**	**4,402.44**

Note No. 39 - Earnings per Share:

	Year ended March 31, 2018	Year ended March 31, 2017
Basic Earnings per share		
From continuing operations	**9.99**	11.23*
Diluted Earnings per share		
From continuing operations	**9.95**	11.20*

Basic earnings per share

	Year ended March 31, 2018	Year ended March 31, 2017
Profit for the year attributable to owners of the Company from continuing operations	**13,237.21**	14,857.59
Weighted average number of equity shares	**1,325.02**	1,323.04
Earnings per share from continuing operations - Basic	**9.99**	11.23

Diluted earnings per share

	Year ended March 31, 2018	Year ended March 31, 2017
Profit for the year attributable to owners of the Company from continuing operations	**13,237.21**	14,857.59
Weighted average number of equity shares	**1,329.78**	1,327.04
Earnings per share from continuing operations - Diluted	**9.95**	11.20

All amounts are in INR Lacs unless otherwise stated

Note No. 39 - Earnings per Share: (Contd.)

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	Year ended March 31, 2018	Year ended March 31, 2017
Weighted average number of equity shares used in the calculation of Basic EPS	**1,325.02**	1,323.04
Add: Effect of ESOPs	**4.76**	4.00
Weighted average number of equity shares used in the calculation of Diluted EPS	**1,329.78**	1,327.04

* The earnings per share has been adjusted on account of issuance of bonus equity shares.

Note No. 40 - Leases:

The Group has taken certain properties under operating leases with varying lease terms, cancellable at the option of the Company. The future minimum lease payments are given below.

	Year ended March 31, 2018	Year ended March 31, 2017
Future minimum lease commitments		
not later than one year	**23,720.57**	16,463.68
later than one year and not later than five years	**68,314.03**	48,925.50
later than five years	**128,336.36**	116,268.69
Expenses recognised in the Statement of Profit and Loss		
Minimum Lease Payments	**24,304.82**	19,438.19

Note No. 41 - Contingent liabilities and commitments

Contingent liabilities (to the extent not provided for)

Particulars	**As at March 31, 2018**	As at March 31, 2017
(a) Income Tax matters:		
Claims against the Company not acknowledged as debt (for matters disputed by the Company)		
pertaining to Revenue Recognition (timing difference*) pending before the CIT(A) (Company appeal)	**43,693.51**	31,686.46
interest included in the above	**11,206.88**	8,603.28
pertaining to other matters (mainly timing differences *), pending before the CIT (A) (Company appeal)	**4,450.29**	4,075.43
interest included in the above	**967.04**	896.96
Matters decided in favour of the Company, (but under appeal by the Department)		
pertaining to Revenue Recognition (timing difference *) pending before the Madras High Court (Department appeal) excluding interest	**27,140.61**	27,140.61
(b) Service Tax matters:		
claimed on interest on installments and other items (inclusive of penalty where quantified in demand)	**8,760.92**	7,839.82
* For matters pertaining to timing differences, if liability were to crystallise, there would be future tax benefits, except to the extent of tax rate differences and interest, if any.		
Notes:		
1) The above amounts are based on demands raised, which the Company is contesting with the concerned authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals. No reimbursements are expected.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 41 - Contingent liabilities and commitments: (Contd.)

	Particulars	As at March 31, 2018	As at March 31, 2017
2)	In respect of above matters, it is not practicable for the Company to estimate the closure of these issues and the consequential timing of cash flows if any.		
(c)	**Luxury Tax matters:**		
	In respect of certain States, the Company has received demands for payment of luxury tax for member stay at resorts as summarised below:		
	Demands raised (inclusive of penalty)	**5,485.52**	1,650.37
	The Company has challenged the above demands before various appellate authorities / High Court, the outcome of which is pending. For all such matters, the Company has made cumulative provisions for ₹ 509.50 lacs (Previous Year ₹ 550 lacs), on a best estimate basis.		
	The above demands include demands raised by Kerala Luxury Tax authorities in respect of which the Kerala High Court (single bench) has upheld the Constitutional validity of the levy and has allowed the department to proceed with the assessment while setting aside penalty orders. The Company has filed an writ appeal before the Divisional Bench of the Kerala High Court challenging the order of the single bench. The Company had also filed SLP with the Supreme Court wherein order has been passed permitting the tax authorities to proceed with the assessments but restricted the tax authorities for making any demand pursuant to the assessment till the disposal of the appeal before the Divisional Bench of the Kerala High Court. The provision of ₹ 577.10 lacs (Previous Year ₹ 550 lacs) referred to above includes ₹ 438 lacs (Previous Year ₹ 421 lacs) on the account of demand raised by Kerala Tax Authorities.		
(d)	**Receivables Securitised:**		
	Certain specified receivables have been securitised prior to April 1, 2015 with a bank for availing finance. In case a member defaults in payment to the bank, the bank would have recourse to the Group.	**-**	1,112.87

(e) Other matters under appeal (Property related)

(i) The Government of Kerala through the Sub Collector, District of Devikulam issued an Order dated July 3, 2007 cancelling the assignment of land underlying the Munnar resort and directed repossession of land on the ground that it is agricultural land and cannot be used for commercial purposes. The Company had filed an appeal before the Commissioner of Land Revenue, Trivandrum against the said Order stating that the Patta issued does not specify that the land should be used only for agricultural purpose. The Commissioner of Land Revenue, Trivandrum vide his Order dated November 22, 2007 dismissed the appeal filed by the Company and cancelled the assignment of land underlying the Munnar Resort and further directed repossession of land on the ground that it is agricultural land and cannot be used for commercial purposes. The Company had filed a writ petition before the Kerala High Court against the said Order and on December 13, 2007, the Court granted an interim stay of all further proceedings.

(ii) With respect to certain claims of neighbouring property owners, the Company filed a suit in the Civil Court, Pune seeking inter-alia permanent injunction against them disturbing the possession of the Company's resort property at Lonavala, Maharashtra and obtained an ad-interim stay. In another development, notwithstanding these proceedings, the neighbouring property owner obtained an order from the local Mamlatdar's Court for alleged access to his property through the resort property. The Company obtained a stay against the said order of the Mamlatdar. All matters with respect to the neighbouring property owner are currently pending before the Civil Court, Pune. Further, on account of the cancellation of the Non-Agricultural land conversion order by the Collector, Pune on the basis of complaint made by the said neighbouring owner and subsequently confirmed by the Additional Divisional Commissioner, Pune, the Company has also filed another Civil Suit at Civil Court, Pune against State of Maharashtra and Others, inter alia, seeking declaration that the proceedings and Orders in respect of cancellation of the NA status of the land underlying the resort property at Lonavala are not enforceable and also sought other reliefs. Ad-interim stay has been granted against State of Maharashtra and the Collector,Pune not to give effect to the Orders of NA cancellation and the matter is pending for further hearing.

Note No. 41 - Contingent liabilities and commitments: (Contd.)

(f) Other matters:

(i) The Company engaged a building contractor for construction of a resort. As the construction did not proceed as per agreed timelines the Company terminated the contract. The contractor has claimed ₹ 1,256.15 lacs as damages for termination of the Contract. The Company has made a counter claim of ₹ 2,003.56 lacs towards liquidated damages and other losses. The matter is pending before the Arbitrator.

(ii) The Regional Provident Fund Commissioner, Chennai had issued Summons initiating proceedings under Section 7A of the Employees Provident Fund Act for failing to remit contributions on allowances relating to employees for the period from March 2011 to February 2013 in respect of Indian employees and from April 2010 to February 2013 in respect of international employees. The PF Authorities have made a claim of ₹ 189.93 lacs. The Company has filed a Writ Petition No 2408/2014 before the Madras High Court and the Court has granted an Interim stay of the above proceedings.

(iii) The Company had acquired the entire shareholding of erstwhile Holiday on Hill Resort Private Limited (erstwhile subsidiary) in the year 2012 and subsequently it was amalgamated with the Company. In the year 2013, a Show Cause Notice was issued by the Collector, Solan to the erstwhile subsidiary under the provisions of Section 118 of HP Tenancy and Land Reforms Act, 1972 (the Act) alleging that the sale by the erstwhile subsidiary had in violation of the provisions of the Act and has required the erstwhile subsidiary to show cause why the said land should not be confiscated. The erstwhile subsidiary had responded to said show cause notice, inter alia, submitting that it has not violated any provisions of the Act in as much as the Company has acquired only the shareholdings of the erstwhile subsidiary from its shareholders and no property has been sold to the Company. The matter has been disposed off by an Order dated 12th December, 2017 passed by the Financial Contoller (Appeals), HP, Shimla in Revision Application preferred by the Company.

(iv) With respect to member complaints pending before various consumer fora and other matters: Estimated amount of claims ₹ 493.93 lacs (As at March 31, 2017: ₹ 475.36 lacs).

(g) Contingent liabilities with respect to Holiday Club Resorts Oy and its subsidiaries

(i) Holiday Club Resorts Oy has agreed in the customer financing agreement made between Holiday Club Resorts Oy and OP Corporate Bank Oyj (OP Financing) the following:

The customer's inability to pay, or if the customer otherwise is in breach with contract, gives OP Financing the right to call in the financing or to terminate the financing contract. If OP Financing claims, Holiday Club Resorts Oy has committed to redeem the financing with the amount that corresponds 50 % of the current financing agreement balance between customer and OP Financing related to the purchase of the timeshare week. Redemption price may be at maximum 50 % of the original purchase price of the timeshare week.

The financing agreement between Holiday Club Resorts Oy and OP Corporate Bank Oyj has been amended on 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note No. 41 - Contingent liabilities and commitments: (Contd.)

will be the amount of financed part of the sale agreement at issue. The above are mainly for receivables recognised prior to April 1, 2015. For the timeshares Holiday Club Resorts Oy has financed on its own risk, 100 % buyback commitment is applied."

(ii) Holiday Club Resorts Oy has given completion commitments to Fennia and in relation to the land areas sold to Fennia. If the completion commitments are not met, Fennia has the right to cancel the deal. Holiday Club Resorts Oy has guaranteed the land lease payments until apartments have been built on the plots.

(iii) Holiday Club Resorts Oy and the municipality of Salla have agreed that Holiday Club Resorts will make at least four million euros (₹ 3226.4 lacs) worth of investments to Salla by the end of year 2018. If the investments of at least four million euros 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 investments made are less than two million, Holiday Club Resorts Oy has 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.

(iv) 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 (₹ 19.5 lacs) (PY Euro 24,225 - ₹ 16.78 lacs) 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 Euro 427,500 (₹ 344.8 lacs) (PY Euro 427,500 ₹ 296.08) 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, of if the amount of buildings on the land is fundamentally smaller than planned.

(v) Holiday Club Resorts Oy has committed to a framework agreement with the city of Kuusamo according to which 10 million euros (₹ 806.6 lacs) worth of investments will be made until 2025.

(vi) 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 (₹ 3831.4 lacs)

(vii) 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.

(viii) During 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 - ₹ 1371.2 lacs) (PY Euro 1.7 million - ₹ 1177.42 lacs) towards Åre Kongress AB.

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 1.2 million euros (₹ 967.9 lacs). Holiday Club Sweden AB owns 51 % of the Holiday Club Sport and Spa Hotels AB's shares.

(ix) Holiday Club Canarias Sales and Marketing company has received claims from timeshare customers areguing that the contracts are null and void. The total amount of received claims is 3.8 million euros (₹ 3065.1 lacs) (PY Euro 3.8 million - ₹ 2631.88 lacs). Claims are related to different interpretations of changing timeshare legislations in Spain. The company has received 76 claims out of which 15 rulings from the first instance courts. Based on these rulings the company has made an accrual that is estimated to cover possible future liabilities.

All amounts are in INR Lacs unless otherwise stated

Note No. 41 - Contingent liabilities and commitments: (Contd.)

(h) Capital Commitments

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**475.56**	8,004.75

Note No. 42 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and Superannuation Fund aggregating ₹ 990.45 Lacs (2017: ₹ 836.18 Lacs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans (Gratuity)

The Company has a funded Gratuity Scheme for its employees and gratuity liability has been provided based on the actuarial valuation done at the year end. The Gratuity scheme of the Company is funded with the Life Insurance Corporation of India.

Defined benefit plans – as per actuarial valuation on March 31, 2018 and March 31, 2017:

		Funded Plan	
		Gratuity	
		2018	2017
Ia.	**Expense recognised in the Statement of Profit and Loss for the year ended March 31:**		
	Current service cost	**129.78**	101.86
	Net Interest cost	**1.19**	0.33
	Components of defined benefit costs recognised in profit & loss	**130.97**	102.19
Ib.	**Included in other Comprehensive Income:**		
	Difference between actual and expected return on plan assets	**31.66**	(23.06)
	Actuarial (Gain)/Loss on account of :		
	Demographic Assumptions	**66.53**	-
	Financial Assumptions	**-**	13.81
	Experience Adjustments	**11.25**	13.73
	Components of defined benefit costs recognised in other comprehensive income	**109.44**	4.48
I.	Net Asset/(Liability) recognised in the Balance Sheet as at March 31:		
	1. Present value of defined benefit obligation as at 31st March	**626.49**	464.85
	2. Fair value of plan assets as at 31st March	**543.88**	448.91
	3. Deficit	**(82.61)**	(15.94)
II.	Change in the obligation during the year ended March 31:		
	Present value of defined benefit obligation at the beginning of the year	**464.85**	402.09
	Expenses Recognised in Profit and Loss Account		
	- Current Service Cost	**129.78**	101.86
	- Interest Expense (Income)	**34.84**	31.14
	Recognised in Other Comprehensive Income		
	Actuarial Gain / (Loss) arising from:		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 42 - Employee Benefits: (Contd.)

		Funded Plan	
		Gratuity	
		2018	2017
	Change in Demographic Assumptions	**66.53**	-
	Financial Assumptions	**-**	13.81
	Experience Adjustments	**11.25**	13.73
	Benefit payments	**(80.76)**	(97.78)
	Present value of defined benefit obligation at the end of the year	**626.49**	464.85
III.	Change in fair value of assets during the year ended March 31:		
	Fair value of plan assets at the beginning of the year	**448.91**	397.79
	Expenses Recognised in Profit and Loss Account		
	Expected return on plan assets	**33.65**	30.81
	Recognised in Other Comprehensive Income		
	Remeasurement gains / (losses)		
	Difference between actual and expected return on plan assets	**(31.66)**	23.05
	Contributions by employer (including benefit payments recoverable)	**173.74**	95.04
	Benefit payments	**(80.76)**	(97.78)
	Fair value of plan assets at the end of the year	**543.88**	448.91
IV.	**Major categories of plan assets :**		
	Deposits with Insurance companies	**543.88**	448.91

The significant actuarial assumptions (estimated for adequate coverage of the obligation on a prudent basis), are as under:

	Valuation as at	
	March 31, 2018	March 31, 2017
Discount rate(s)	**7.50%**	7.50%
Expected rate(s) of salary increase	**5.00%**	5.00%
Expected rate of return on plan assets	**7.55%**	7.55%
Attrition	**10%-20%**	1%-3%
Mortality table	**IALM (2006-2008) ULT**	IALM (2006-2008) ULT

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		**Changes in assumption**	**Impact on defined benefit obligation**	
			Increase in assumption	**Decrease in assumption**
Discount rate	2017-2018	0.50%	(17.14)	18.04
	2016-2017	0.50%	(27.02)	29.52
Salary growth rate	2017-2018	0.50%	18.39	(17.62)
	2016-2017	0.50%	30.10	(27.76)
Attrition rate	2017-2018	0.50%	1.83	(20.27)
	2016-2017	0.50%	8.73	(10.14)
Mortality rate	2017-2018	0.50%	0.17	(0.16)
	2016-2017	0.50%	0.42	(0.45)

All amounts are in INR Lacs unless otherwise stated

Note No. 42 - Employee Benefits: (Contd.)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Company expects to contribute ₹ 234.82 Lacs (Previous Year 151.68 lacs) to the gratuity trust during the next financial year of 2018-19.

V Maturity profile of defined benefit obligation:

	2018	2017
Within 1 year	**97.68**	27.93
1 - 2 year	**93.03**	14.07
2 - 3 year	**79.56**	30.31
3 - 4 year	**80.83**	21.92
4 - 5 year	**79.24**	26.01
> 5 years	**313.61**	161.67

Plan Assets.

The fair value of Company's pension plan asset as of 31 March 2018 and 2017 by category are as follows:

	2018	2017
Asset category:		
Contributions placed with Insurance companies	**543.88**	448.91
	100%	100%

The weighted average duration of the defined benefit obligation as at 31 March 2018 is 6 years (2017: 13 years)

VI Experience Adjustments:

	Period Ended				
	2018	2017	2016	2015	2014
	Gratuity				
Defined Benefit Obligation	626.49	464.85	402.09	317.72	279.51
Fair value of plan assets	543.88	448.91	397.79	235.68	210.34
Surplus/(Deficit)	(82.61)	(15.94)	(4.30)	(82.04)	(69.17)
Experience adjustment on plan liabilities [(Gain)/Loss]	(77.78)	(27.54)	8.41	(54.66)	(151.53)
Experience adjustment on plan assets [Gain/(Loss)]	(31.66)	23.05	(23.86)	(0.33)	0.06

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(c) Defined Benefit Plans (Compensated absences)

The amount recognized as an expense in respect of Compensated absences is ₹ 100.58 lacs (Previous Year: ₹ 434.50 lacs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 43 - Financial Instruments

Capital management

The Group's key objective in managing its financial structure is to maximize value for shareholders, reduce cost of capital, while at the same time ensuring that the Group has the financial flexibility required to continue its expansion. Debt comprises of current borrowings, non-current borrowings and current maturities of long term borrowings.

Particulars	March 31, 2018	March 31, 2017
Debt	**80,990.03**	77,421.95
Less: Cash and cash equivalents	**5,631.73**	19,611.59
	75,358.30	57,810.36

The Group manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio.

The Group is not subject to externally enforced capital regulation.

Debt-to-equity ratio is as follows:

Particulars	March 31, 2018	March 31, 2017
Debt (A)	**75,358.30**	57,810.36
Equity (B)	**71,144.99**	59,738.60
Debt Ratio (A / B)	**1.06**	0.97

Categories of financial assets and financial liabilities

As at March 31, 2018

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	-	519.79	-	519.79
Trade Receivables	47,514.38	-	-	47,514.38
Loans	4,289.78	-	-	4,289.78
Other Financial Assets				
- Non Derivative Financial Assets	1,509.44	-	-	1,509.44
Current Assets				
Investments	-	44,468.76		44,468.76
Trade Receivables	107,514.74	-	-	107,514.74
Cash & cash equivalents	5,631.73	-	-	5,631.73
Other Bank Balances	1,570.27	-	-	1,570.27
Loans	38.27	-	-	38.27
Other Financial Assets				
- Non Derivative Financial Assets	1,302.80	-	-	1,302.80
Non-current Liabilities				
Borrowings	71,335.65	-	-	71,335.65
Other Financial Liabilities				
- Non Derivative Financial Liabilities	4,773.30	-	-	4,773.30
Current Liabilities				
Borrowings	9,654.38	-	-	9,654.38
Trade Payables	26,157.28	-	-	26,157.28
Other Financial Liabilities				
- Non Derivative Financial Liabilities	34,219.00	-	-	34,219.00
- Derivatives (Interest rate swaps)	-	379.66	-	379.66
- Obligation to acquire non controlling interest		2,678.20	-	2,678.20

All amounts are in INR Lacs unless otherwise stated

Note No. 43 - Financial Instruments (Contd.)

As at March 31, 2017

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	-	365.59	-	365.59
Trade Receivables	50,520.42	-	-	50,520.42
Loans	3,752.08	-	-	3,752.08
Other Financial Assets				
- Non Derivative Financial Assets	167.53	-	333.22	500.75
Current Assets				
Investments	-	9,711.29	-	9,711.29
Trade Receivables	101,997.15	-	-	101,997.15
Cash & cash equivalents	19,611.58	-	-	19,611.58
Other Bank Balances	1,811.91	-	-	1,811.91
Loans	30.37	-	-	30.37
Other Financial Assets				
- Non Derivative Financial Assets	167.53	-	-	167.53
Non-current Liabilities				
Borrowings	69,380.86	-	-	69,380.86
Other Financial Liabilities				-
- Non Derivative Financial Liabilities	-	-	-	-
Current Liabilities				-
Borrowings	8,041.09	-	-	8,041.09
Trade Payables	27,494.60	-	-	27,494.60
Other Financial Liabilities				-
- Non Derivative Financial Liabilities	21,652.07	-	-	21,652.07
- Derivatives (Interest rate swaps)	-	520.98	-	520.98
- Obligation to acquire non controlling interest	-	1,654.52	-	1,654.52

Financial Risk Management Framework

The Group has a robust business risk management process to identify, evaluate and mitigate risks impacting business including those which may threaten the existence of the Group. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Group's competitive advantage. This also defines the risk management approach across the enterprise at various levels including documentation and reporting. Risk management forms an integral part of the Group's Business Plan. The Group has adequate internal processes to assess, monitor and manage financial risks. These risks include credit risk, liquidity risk and market risk.

Risk	Exposure primarily from	Measurement	Management
Credit risk	Trade receivables	Ageing analysis,Credit assessment	Assessment of customer credit worthiness at inception and through the credit period
Liquidity risk	Capital commitments	Cash flow forecast	Availability of committed credit lines and borrowing facilities
Market risk - Interest rate risk	Borrowings with variable interest rates	Sensitivity analysis	Interest rate swaps

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 43 - Financial Instruments: (Contd.)

(i) Credit risk management

A significant portion of the Group's sales of Vacation Ownerships are by way of deferred payment schemes where the customer is obligated to pay the membership fee in Equated Monthly Installments (EMIs) and the ensuing credit risk is managed by the Group in the following manner:

(a) preliminary assessment of customer credit worthiness, ensuring realisation of minimum down payment and adherence to internal KYC norms.

(b) collecting post dated instruments such as cheques, Automated Clearing House (ACH) mandates, standing credit card instructions from the customers at inception to ensure security cover;

From an accounting perspective, revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the Group. The Group also assesses lifetime expected credit loss by using appropriate models, as prescribed by Ind AS 109, using past trends of collections and historical credit loss experience. The categorisation of the receivables into its ageing buckets for the purposes of estimating the expected loss allowance has been profiled based on the longest overdue of that member, for example, if a member has one installment overdue for say 12 months, the entire receivable of the member is aggregated into that ageing bucket and the credit loss allowance is determined after taking into account the credits against the member under "Deferred Revenue - entitlement fee" (refer note 27 and note 32(a)).

The allowances for credit loss and for revenue de-recognised at inception referred to above, carried at the end of every reporting period, are tested for adequacy and appropriately dealt with.

The credit loss allowance carried by the Group is as under:

	March 31, 2018	March 31, 2017
Carrying value of receivables (refer note 8 and 15)*	**155,029.12**	152,517.57
Credit loss allowance	**4,476.09**	7,799.97
Loss allowance (%)	**2.41%**	5.11%

* With effect from FY 2015-16, the Group, in accordance with Ind AS, is deferring revenue at inception based on trends as explained and accordingly the credit loss allowance reflects a declining trend. The amounts deferred at inception and the credit loss allowance are adjusted from the carrying value of receivables (refer note 8 and 15) in the same proportion, except in cases where the allowance is directly attributable to a particular contract.

Reconciliation of credit loss allowance adjusted from Trade Receivables

	Amount
Balance as at March 31, 2017	**7,799.97**
Allowance for credit loss recognised during the year	555.77
Amounts written off during the year	(4,626.73)
Balance as at March 31, 2018	**3,729.01**
Balance as at April 1, 2016	**14,757.97**
Allowance for credit loss recognised during the year	2,100.00
Amounts written off during the year	(9,058.00)
Balance as at March 31, 2017	**7,799.97**

(i) Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities (predominantly trade payables, retention payables, etc) with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

All amounts are in INR Lacs unless otherwise stated

Note No. 43 - Financial Instruments: (Contd.)

	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities as at March 31, 2018				
Borrowings	2,494.34	71,034.96	300.69	-
Trade Payables	26,157.28	-	-	-
Other Financial Liabilities	37,276.86	4,773.30	-	-
Total	**65,928.48**	**75,808.26**	**300.69**	**-**
Non-derivative financial liabilities as at March 31, 2017				
Borrowings	46,491.61	71,384.53	1,885.53	-
Trade Payables	23,541.25	-	-	-
Other Financial Liabilities	21,652.07	-	-	-
Total	**91,684.93**	**71,384.53**	**1,885.53**	**-**

Financing arrangements

The Group had access to following undrawn borrowing facilities at the end of the reporting period:

	March 31, 2018	March 31, 2017
Cash credit		
- Expiring within one year	**6,000**	6,000
Secured Bank Overdraft facility		
- Expiring beyond one year	**2,222**	2,699
	8,222	8,699

(ii) Market risk management

The Group's market risk comprises of its foreign currency exposure and interest rate fluctuations.

Currency Risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group's exposure to currency risk relates primarily to the Group's investing activities when transactions are denominated in a different currency from the Group's functional currency.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Currency	March 31, 2018	March 31, 2017
Receivables	MYR	**-**	-
	EUR	**15,631.50**	14,273.59
	AED	**335.79**	245.65
	THB	**19.60**	14.96
	SEK	**936.00**	643.72
Loans payable (including interest)	THB	**3,229.71**	1,323.00
	EUR	**64,062.96**	65,111.19
Payables	MYR	**22.46**	17.37
	EUR	**42,873.46**	26,782.27
	AED	**160.00**	53.97
	THB	**84.58**	186.63
	SEK	**503.44**	336.40
	USD	**12.98**	22,731.54

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 43 - Financial Instruments: (Contd.)

Of the above foreign currency exposures, none of the exposures are hedged by a derivative. These foreign currency exposures are denominated in currencies that are not very volatile. Hence, the Group is not exposed to major currency risks.

Foreign Currency Sensitivity

The Group is exposed to the following currency risks - AED, THB, MYR, SEK and EUR - and the following table demonstrates the sensitivity.

	Currency	Increase / decrease in basis points	Effect on profit before tax
March 31, 2018	MYR	**+10%**	(2.25)
	MYR	**-10%**	2.25
	EUR	**+10%**	(9,130.49)
	EUR	**-10%**	9,130.49
	AED	**+10%**	17.58
	AED	**-10%**	(17.58)
	THB	**+10%**	(329.47)
	THB	**-10%**	329.47
	SEK	**+10%**	885.66
	SEK	**-10%**	(885.66)
March 31, 2017	MYR	**+10%**	4.67
	MYR	**-10%**	(4.67)
	EUR	**+10%**	(61.07)
	EUR	**-10%**	61.07
	AED	**+10%**	4.63
	AED	**-10%**	(4.63)
	THB	**+10%**	(40.01)
	THB	**-10%**	40.01
	SEK	**+10%**	550.26
	SEK	**-10%**	(550.26)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

All amounts are in INR Lacs unless otherwise stated

Note No. 43 - Financial Instruments: (Contd.)

	Currency	Increase / decrease in basis points	Effect on profit before tax
March 31, 2018	EUR	**+100**	(436.88)
	INR	**+100**	(65.00)
	THB	**+100**	(32.26)
	EUR	**-100**	436.88
	INR	**-100**	65.00
	THB	**-100**	32.26
March 31, 2017	EUR	**+100**	(15.69)
	SEK	**+100**	(1.31)
	THB	**+100**	(0.08)
	EUR	**-100**	15.69
	SEK	**-100**	1.31
	THB	**-100**	0.08

For a few borrowings, the Group has entered into interest rate swap agreements to swap its floating interest rates to fixed interest rates. The said derivatives are marked to market at the end of each reporting period and the resultant gain/loss recognized in Profit and Loss.

Note No. 44 - Fair Value Measurement

Fair Valuation Techiques and Inputs used - recurring Items

Financial assets/ financial liabilities measured at Fair value*	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2018	March 31, 2017		
Financial assets				
Investments				
Mutual fund investments	44,468.76	9,711.29	Level 1	Refer note 1 below
Equity and preference	519.79	492.49	Level 3	Refer note 2 below
Derivative instruments- Call option	-	333.22	Level 2	Refer note 3 below
Total financial assets	**44,988.55**	10,537.00		
Financial liabilities				
Derivative instruments- Interest Rate Swaps	**379.66**	520.98	Level 2	Refer note 4
Obligation to acquire non controlling interest	**2,678.20**	1,654.52	Level 3	Refer note 3
Total financial liabilities	**3,057.86**	2,175.50		

Note 1: Fair value determined using NAV

Note 2: Fair value determined using discounted cash flow method

Note 3: Fair value is determined using the Option pricing model ie., "Monte Carlo Simulation".

Note 4: Fair value is determined using the present value of the estimated future cash flows based on observable yield curves.

Reconciliation of Level 3 fair values

Particulars	Equity & Preference	Obligation to acquire non controlling interest
Balance as at April 1, 2017	492.49	1,654.52
Additions	19.71	2,359.99
Deletions	-	(1,336.31)
Fair value gain included in statement of profit and loss	7.59	-
Balance as at March 31, 2018	**519.79**	**2,678.20**

* Fair value of financial assets and financial liabilities (that are not measured at amortised cost) closely approximate their carrying value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 45 - Expenditure on Corporate Social Responsibility

As per Section 135 of the Companies Act 2013, the Company needs to spend 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The Company has incurred CSR expenditure on activities specified in Schedule VII of the Companies Act, 2013.

Gross amount required to be spent by the Company during the year is ₹ 340 Lacs (Previous Year : ₹ 288 Lacs)

		Paid	Yet to be paid	Total
(i)	Construction/Acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	340.20	-	340.20

Note No. 46 - Capital work in progress (CWIP) and expenditure during construction pending allocation included therein:

	As at March 31, 2018	As at March 31, 2017
Capital Work-in-progress	**11,074.59**	16,921.83

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

	As at March 31, 2018	As at March 31, 2017
Salaries, Wages & Bonus	**1,494.86**	1,037.54
Staff welfare Expenses	**22.82**	15.46
Power & Fuel	**22.82**	15.45
Rent	**14.90**	9.77
Rates & Taxes	**11.35**	10.87
Repairs-Others	**19.46**	18.93
Travelling	**105.27**	84.49
Consultancy Charges	**184.49**	184.49
Freight	**10.27**	10.27
Miscellaneous	**71.61**	24.53
	1,957.85	1,411.80

Note No. 47 - Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

		March 31, 2018	March 31, 2017
(i)	Principal amount remaining unpaid to MSME suppliers as on	**59.66**	22.94
(ii)	Interest due on unpaid principal amount to MSME suppliers as on	**0.03**	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

All amounts are in INR Lacs unless otherwise stated

Note No. 48 - Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (""CODM"") of the Group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. The Group has identified the following segments as reporting segments based on the information reviewed by CODM:

- MHRIL
- Holiday Club Resorts OY (HCRO)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Segment Revenue:		
- MHRIL	**109,956.88**	107,046.54
- HCRO	**124,968.96**	118,927.97
Total Segment Revenue	**234,925.84**	225,974.51
- Other unallocable revenue	**131.98**	3,469.82
Revenue from Operations	**235,057.82**	229,444.33
Segment Results:		
- MHRIL profit before tax	**20,489.24**	16,959.45
- HCRO profit before tax	**6,709.19**	2,307.65
Total Segment results	**27,198.43**	19,267.10
- Other unallocable expenditure net of unallocable income (includes translation difference on foreign currency borrowings CY - (₹ 4,139.77 lacs), PY - ₹ 1,169.97 lacs)	**(5,541.18)**	3,145.26
Total Segment Profit before tax	**21,657.25**	22,412.36
Segment Assets		
- MHRIL	**341,843.49**	304,857.10
- HCRO	**108,532.43**	90,046.16
Total Segment Assets	**450,375.92**	394,903.26
- Unallocated corporate assets	**118.85**	1,145.90
Total Assets	**450,494.77**	396,049.16
Segment Liabilities		
- MHRIL	**267,430.48**	240,445.90
- HCRO	**59,634.77**	52,385.77
Total Segment liabilities	**327,065.25**	292,831.67
- Unallocated corporate liabilities	**52,284.53**	43,478.89
Total liabilities	**379,349.78**	336,310.56

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 49 - Related party transactions

Particulars		March 31, 2018	March 31, 2017
Transactions during the year:			
Holding company			
Sale of services	Mahindra & Mahindra Limited	**38.87**	21.68
Purchases of PPE	Mahindra & Mahindra Limited	**-**	7.65
Purchase of services	Mahindra & Mahindra Limited	**974.78**	643.92
Dividend paid(Including Dividend Distribution Tax)	Mahindra & Mahindra Limited	**3,606.34**	3,329.28
Fellow Subsidiaries / Associates			
Sale of services	Mahindra Intertrade Ltd	**0.99**	0.96
	Mahindra Lifespace Developers Ltd	**-**	0.37
	Bristlecone India Limited.	**1.71**	10.83
	Tech Mahindra Limited	**2.93**	2.44
	Mahindra Asset Management Company Ltd	**5.58**	6.69
Purchase of PPE	Mahindra Retail Private Limited	**19.96**	-
Purchase of services	Mahindra Integrated Business Solutions Pvt Ltd	**184.22**	51.98
	Mahindra Consulting Engineers Limited.	**-**	0.30
	Bristlecone India Limited.	**316.72**	308.16
	Tech Mahindra Ltd	**582.89**	1,168.20
	Mahindra Emarket Ltd	**-**	0.05
Other Entities (Director's Interest)			
Purchase of services	Grassroutes Journeys Private Limited	**1.03**	-
Key Management Personnel			
Managerial remuneration:	Mr. Kavinder Singh	**370.85**	306.27
	Mr. Dinesh Shetty (Upto March 31, 2018)	**87.10**	72.86
	Mr. S Krishnan (Upto January 21, 2018)	**309.35**	163.31
	Mrs. Akhila Balachandar (wef May 20, 2017)	**93.25**	-
	Director's Fees and commission	**235.23**	234.11
Balances as at:			
Holding company			
Outstanding: Payable	Mahindra & Mahindra Limited	**291.77**	808.48
Outstanding: Receivable	Mahindra & Mahindra Limited	**26.42**	24.25
Fellow Subsidiaries / Associates			
Outstanding: Payable	Mahindra Retail Pvt Ltd	**19.84**	-
	Tech Mahindra Ltd	**129.99**	51.25
	Bristlecone India Limited	**18.28**	-
	Mahindra Intergrated Business Solutions Private Limited	**58.05**	7.32
	Mahindra Consulting Engineers Limited.	**-**	0.32
Outstanding: Receivable	Mahindra Lifespace Developers Ltd	**3.80**	6.20

All amounts are in INR Lacs unless otherwise stated

Note No. 50(a) - Investments in associates:

	No of equity shares held	% of holding	Original cost of investment	Amount of goodwill/ capital reserve in original cost	Carrying amount of investments
Kiinteisto Oy Seniori Saimaa	950,000	31.00%	712.22	-	125.02
Kiinteisto Oy Sallan Kylpyla	49	49.00%	323.27	-	144.95

Investment in associates previous year

	No of equity shares held	% of holding	Original cost of investment	Amount of goodwill/ capital reserve in original cost	Carrying amount of investments
Kiinteisto Oy Seniori Saimaa	950,000	28.64%	712.22	-	107.35
Kiinteisto Oy Sallan Kylpyla	49	45.05%	323.27	-	5.54

Summarised financial information in respect of each of the Group's associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements.

Particulars - Kiinteisto Oy Sallan Kylpyla	March 31, 2018	March 31, 2017
Current assets	30.01	3.89
Non-current assets	1,532.37	1,371.67
Current liabilities	73.37	64.18
Non-current liabilities	868.58	745.09
Revenue	51.53	53.30
Profit or loss from continuing operations	(36.62)	12.00
Profit (loss) for the year	(36.62)	12.00
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(36.62)	12.00

Particulars - Kiinteisto Oy Seniori Saimaa	March 31, 2018	March 31, 2017
Current assets	68.74	84.56
Non-current assets	1,230.89	1,056.85
Current liabilities	96.40	79.94
Revenue	-	0.90
Profit or loss from continuing operations	(81.38)	(72.46)
Profit (loss) for the year	(81.38)	(72.46)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(81.38)	(72.46)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All amounts are in INR Lacs unless otherwise stated

Note No. 50 (b) - Investments in joint venture

Particulars	No of equity shares held	% of holding	Original cost of investment	Carrying amount of investments
Tropiikin Rantasauna Oy	50	47.58%	43.28	48.21

Particulars	No of equity shares held	% of holding	Original cost of investment	Carrying amount of investments
Tropiikin Rantasauna Oy (Acquired on July 4, 2016)	50	45.97%	43.28	42.96

Summarised financial information in respect of the Group's joint venture is set out below. The summarised financial information below represents amounts shown in the joint ventures's financial statements.

Particulars - Tropiikin Rantasauna Oy	**March 31, 2018**	March 31, 2017
Current assets	**41.23**	42.16
Non-current assets	**164.28**	76.94
Current liabilities	**16.34**	-
Non-current liabilities	**92.76**	34.28
Revenue	**18.63**	-
Profit (loss) for the period	**(2.22)**	(1.86)
Other comprehensive income for the period	**-**	-
Total comprehensive income for the period	**(2.22)**	(1.86)

Note No. 51 - Changes in liabilities arising from financing activities

Particulars	As at March 31, 2017	**Cash Flow from financing activities**		**Forex Movement**	**As at March 31, 2018**
		Additions	**Repayment**		
Non current borrowings (including current maturities of non current debt)	75,602.68	5,239.22	(12,996.49)	10,650.28	**78,495.69**
Current borrowings	1,819.27	7,848.16	(7,485.85)	312.77	**2,494.34**
Total	77,421.95	13,087.38	(20,482.35)	10,963.05	**80,990.03**

Note No. 52 - IND AS 115 - Revenue from contracts with customers

Ind AS 115 "Revenue from contracts with customers" has been notified by the Ministry of Corporate Affairs on 28th Mar'18 which replaces the existing revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions effective for accounting periods beginning on or after 1st April'18. Ind AS 115 sets out requirements for recognising revenue and costs from contracts with customers and includes extensive disclosure requirement which may have material impact on the Company's reporting of revenue and costs.

The company's business is to sell vacation ownership and provide holiday facilities to members for specified period each year, over a number of years, for which membership fee is collected. The Company is assessing the impact of the accounting changes that will arise under Ind AS 115, which include recognition of the membership fees and direct acquisition cost over the membership period. The changes highlighted above may have a material impact on the company's income statement and statement of financial position after transition to Ind AS 115 from 1st April 2018. Accordingly, the Company's Revenue Recognition Policy may undergo a change for the annual periods beginning from 1st April 2018.

All amounts are in INR Lacs unless otherwise stated

Note No. 53 - Specified Bank Notes held and transacted (from November 8, 2016 to December 30, 2016)

	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	92.82	15.02	107.84
(+) Other receipts	324.62	1,003.45	1,328.07
(-) Permitted payments	(0.09)	(78.93)	(79.02)
(-) Other payments	(0.66)	-	(0.66)
(-) Amounts deposited in Banks	(416.69)	(890.05)	(1,306.74)
Closing cash in hand as on December 30, 2016	(0.00)	49.49	49.49

* Specified Bank Notes collected and recorded at branches and resorts of the Company in the normal course of business have been deposited with banks across various locations.

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018. Corresponding amounts as appearing in the audited Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

Note No. 54 - Contribution to political parties

Payments made by the Group to political parties in India in accordance with Section 182 of Companies Act, 2013, during the year are as follows:

	Year ended March 31, 2018	Year ended March 31, 2017
New Democratic Electoral Trust (included under 'Miscellaneous expenses')	-	10.0

Note No. 55

The figures for the previous year have been regrouped/reclassified to correspond with the current year's classification /disclosure that include changes consequent to the issuance of "Guidance Note on Division II – Ind AS Schedule III to the Companies Act, 2013".

The Consolidated financial statements of Mahindra Holidays and Resorts India Limited were approved by the Board of Directors and authorised for issue on May 08, 2018.

See accompanying notes to the financial statements
In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399

Place: Mumbai
Date: May 08, 2018

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Akhila Balachandar
Chief Financial Officer

Place: Mumbai
Date: May 08, 2018

Annexure A

Form AOC - 1

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
Part "A" Subsidiaries

(₹ in lacs)

Sl. No.	Name of the Subsidiary	Date since when subsidiary was acquired	Reporting for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before tax	Provision for taxation	Profit after tax	Proposed dividend	Proportion of ownership interest
1	Gables Promoters Private Limited	24-Aug-12		INR	6,500.00	(354.99)	13,913.94	7,768.92	-	645.32	(271.92)	-	(271.92)	-	100.00%
2	Mahindra Hotels & Residences India Limited	26-Apr-07		INR	5.00	(16.02)	2.95	13.96	-	0.11	(1.06)	-	(1.06)	-	100.00%
3	Arabian Dreams Hotel & Apartments L.L.C.	26-Mar-13		AED	53.04	(474.64)	388.60	810.20	-	1,879.21	297.42	-	297.42	-	49.00%
4	Heritage Bird (M) SDN. BHD.	3-Mar-08		MYR	50.66	(136.77)	734.68	820.78	-	150.20	35.59	(9.15)	26.44	-	100.00%
5	MH Boutique Hospitality Limited	2-Nov-12		THB	208.15	(302.67)	792.27	886.80	-	0.00	(56.58)	-	(56.58)	-	49.00%
6	Infinity Hospitality Group Company Limited	5-Nov-12		THB	3,122.22	(2,188.49)	4,209.36	3,275.63	-	937.63	156.77		156.77	-	73.99%
7	MHR Holdings (Mauritius) Ltd	11-Jul-14		Euro	116.96	(2,294.78)	42,891.10	45,068.92	-	715.89	(717.59)	-	(717.59)		100.00%
8	Covington S.a.r.l	17-Jul-14		Euro	10.08	18,200.51	50,487.17	32,276.58	-	1,027.05	44.72	(3.88)	40.84	-	100.00%
9	HCR Management Oy	2-Sep-15		Euro	2.02	1,722.66	1,724.68	0.00	-	40.48	40.18	-	40.18	-	100.00%
10	Holiday Club Resorts Oy	2-Sep-15		Euro	9,646.25	36,226.56	98,133.55	52,260.74	3,879.04	108,909.30	3,771.95	(767.73)	3,004.23	1,590.85	95.16%
11	Kiinteistö Oy Himos Gardens	2-Sep-15		Euro	2.02	865.43	867.73	0.28	-	8.56	7.16	(1.43)	5.73	-	95.16%
12	Suomen Vapaa-aikakiinteistöt Oy	2-Sep-15		Euro	2.02	12.93	15.51	0.56	-	0.15	(0.64)	-	(0.64)	-	95.16%
13	Kiinteistö Oy Himoksen Tähti 2	2-Sep-15		Euro	2.02	1,095.42	1,226.07	128.63	-	681.45	674.78	(128.63)	546.15	-	95.16%
14	Kiinteistö Oy Vanha Ykköstii	2-Sep-15		Euro	2.02	41.56	43.71	0.13	-	-	(0.55)	-	(0.55)	-	95.16%
15	Kiinteistö Oy Katinnurkka	2-Sep-15		Euro	2.02	246.92	248.96	0.02	-	-	(1.00)	-	(1.00)	-	95.16%
16	Kiinteistö Oy Tenetinlahti	2-Sep-15		Euro	2.02	86.85	88.89	0.03	-	-	(0.19)	-	(0.19)	-	95.16%
17	Kiinteistö Oy Mällösniemi	2-Sep-15		Euro	7.26	234.71	244.66	2.69	-	15.05	(1.13)	-	(1.13)	-	95.16%
18	Kiinteistö Oy Rauhan Ranta 1	2-Sep-15		Euro	2.02	100.38	102.44	0.05	-	-	(1.54)	-	(1.54)	-	95.16%
19	Kiinteistö Oy Rauhan Ranta 2	2-Sep-15		Euro	2.02	164.53	166.62	0.08	-	-	(2.25)	-	(2.25)	-	95.16%
20	Kiinteistö Oy Tiurunniemi	2-Sep-15		Euro	2.02	290.38	292.85	0.46	-	-	(1.96)	-	(1.96)	-	95.16%
21	Kiinteistö Oy Rauhan Liikekiinteistöt 1	2-Sep-15		Euro	2.02	1,392.70	7,950.89	6,556.17	-	768.12	37.79	-	37.79	-	95.16%
22	Supermarket Capri Oy	2-Sep-15		Euro	80.66	33.45	176.44	62.33	0.81	397.35	19.94	-	19.94	-	95.16%
23	Kiinteistö Oy Kylpyläntorni 1	2-Sep-15		Euro	2.02	201.45	203.51	0.04	-	-	(0.51)	-	(0.51)	-	95.16%
24	Kiinteistö Oy Spa Lofts 2	2-Sep-15		Euro	2.02	114.07	116.11	0.03	-	-	(1.19)	-	(1.19)	-	95.16%
25	Kiinteistö Oy Spa Lofts 3	2-Sep-15		Euro	2.02	112.32	114.41	0.07	-	-	(1.39)	-	(1.39)	-	95.16%
26	Kiinteistö Oy Kuusamon Pulkkajärvi 1	2-Sep-15		Euro	2.03	221.68	286.99	63.27	-	9.38	2.53	(0.51)	2.02	-	95.16%
27	Ownership Service Sweden AB	2-Sep-15		Swedish Krona	7.90	151.17	884.46	725.40	-	0.01	(2.09)	-	(2.09)	-	95.16%
28	Are Villas 1 AB	2-Sep-15		Swedish Krona	3.95	-	17.42	13.47	-	-	-	-	-	-	95.16%
29	Are Villas 2 AB	2-Sep-15		Swedish Krona	3.95	-	5.13	1.18	-	-	-	-	-	-	95.16%
30	Åre Villa 3 AB	29-Jan-18		Swedish Krona	3.95	1,121.96	1,129.85	3.95	-	-	1,121.96	-	1,121.96	-	95.16%

(₹ in lacs)

Sl. No.	Name of the Subsidiary	Date since when subsidiary was acquired	Reporting for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before tax	Provision for taxation	Profit after tax	Proposed dividend	Proportion of ownership interest
31	Holiday Club Sweden AB Åre	2-Sep-15		Swedish Krona	0.01	11.15	17.90	6.74	-	3.43	(0.32)	-	(0.32)	-	95.16%
32	Holiday Club Sport and Spa hotels AB	1-Dec-15		Swedish Krona	78.95	215.09	5,007.04	4,712.99	-	10,788.21	(259.23)	-	(259.23)	-	48.53%
33	Holiday Club Resorts Rus LLC	2-Sep-15	31-Dec-17	Russian Ruble	0.00	0.12	0.45	0.32	-	1.29	0.88	-	0.88	-	95.16%
34	Holiday Club Canarias Investments S.L.U.	2-Sep-15		Euro	2.50	(0.19)	718.91	716.60	-	-	(1.52)	-	(1.52)	-	95.16%
35	Holiday Club Canarias Sales & Marketing S.L.U.	2-Sep-15		Euro	2.50	631.51	13,330.69	12,696.68	-	6,305.33	(760.06)	53.23	(706.82)	-	95.16%
36	Holiday Club Canarias Resort Management S.L.U.	2-Sep-15		Euro	2.50	2,664.51	7,525.25	4,858.24	-	4,234.91	222.45	(34.73)	187.72	-	95.16%

Note:

Translated at exchange rate prevailing as on 31st March 2018 MYR 1 = ₹ 16.8877, THB 1 = ₹ 2.08148, EUR 1 = ₹ 80.66, AED 1 = ₹ 17.68, RUB 1 = ₹ 1.1261, and SEK 1 = ₹ 7.895

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures
Part "B" Associate & Joint Venture

(₹ in lacs)

Sl. No.	Name of the Associates /Joint-Venture	Date since when Associates & joint Venture was acquired	Latest audited Balance Sheet Date	Share of Associates/Joint Ventures held by the Company on the year end			Description how there is significant influence	Reason why the joint venture/ associate not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet.	Profit/(Loss) for the year	
				No of Shares held	Amount of investment in Associates / Joint venture	Extent of holding - %				Considered in consolidation	Not considered in consolidation
Associate :											
1	Kiinteistö Oy Seniori-Saimaa	2-Sep-15	31-Mar-18	950,000	125.02	29.50%	Voting rights	NA	354.95	(25.65)	(61.30)
2	Kiinteistö Oy Sallan Kylpylä	2-Sep-15	31-Mar-18	49	144.95	46.63%	Voting rights	NA	289.29	(18.24)	(20.88)
Joint Venture :											
1	Tropiikin Rantasauna Oy	31-Aug-16	31-Mar-18	50	48.21	47.58%	Joint Control	NA	45.88	(1.13)	(1)

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Akhila Balachandar
Chief Financial Officer

Place: Mumbai
Date: May 08, 2018

NOTES

ClubMahindra