



ClubMahindra

July 5, 2019

MHRIL/SE/19-20/39

Listing Compliance
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
BSE Limited
Floor 25, PJ Towers,
Dalal Street
Mumbai - 400 001
Scrip Code: 533088

Dear Sir,

Subject: Compliance under Regulation 34(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 – Annual Report for the financial year 2018-19

Ref: Our letter No. MHRIL/SE/19-20/13 dated May 15, 2019

With reference to our letter No. MHRIL/SE/19-20/13 dated May 15, 2019, wish to inform you that the 23rd Annual General Meeting ("AGM") of the Company is scheduled to be held on Wednesday, July 31, 2019, at 3.00 p.m. at the Vani Mahal (Mahaswami Hall), 103, G. N. Chetty Road, T. Nagar, Chennai- 600017, Tamil Nadu, to transact the businesses as specified in the Notice of the AGM.

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of the Company and Notice calling the 23rd AGM for the financial year 2018-19.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For **Mahindra Holidays & Resorts India Limited**

Akhila Balachandar
Chief Financial Officer



Encl: a/a



Mahindra Holidays & Resorts India Limited

Corporate Office : Mahindra Towers, 1st Floor, 'A' Wing, Dr. G. M. Bhosle Marg, P. K. Kurne Chowk, Worli, Mumbai - 400 018
t: + 91 22 3368 4722. f: + 91 22 3368 4721

Registered Office: Mahindra Towers, 2nd floor, 17/18 Patullo Road, Chennai - 600 002 t +91 44 3988 1000 f : + 91 44 3027 7778

e: memberrelations@clubmahindra.com / w: www.clubmahindra.com / CIN: L5 5101TN1996PLC036595



Mahindra Holidays & Resorts India Limited

(CIN: L55101TN1996PLC036595)

Registered Office: Mahindra Towers, 2nd Floor, No. 17/18, Patullos Road, Chennai – 600 002

T: +91 44 3988 1000 F: +91 44 3027 7778

W: www.clubmahindra.com • E: investors@mahindaholidays.com

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY THIRD ANNUAL GENERAL MEETING OF MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED will be held at the Vani Mahal Hall (Mahaswami Hall), 103, G. N. Chetty Road, T. Nagar, Chennai - 600017, Tamil Nadu on Wednesday, the 31st day of July, 2019, at 3.00 PM to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.
3. To appoint a Director in place of Mr. Arun Nanda (DIN: 00010029), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Re-appointment of Mr. Rohit Khattar as an Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Rohit Khattar (DIN: 00244040), who was appointed as an Independent Director at the 18th Annual General Meeting of the Company and who holds office of the Independent Director up to August 26, 2019 and has submitted a declaration that he meets the criteria for independence as provided in the Act and SEBI Listing Regulations, and who is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a

Member under section 160 of the Act, proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years commencing from August 27, 2019 to August 26, 2024."

5. Re-appointment of Mr. Sanjeev Aga as an Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Sanjeev Aga (DIN: 00022065), who was appointed as an Independent Director at the 18th Annual General Meeting of the Company and who holds office of the Independent Director up to August 26, 2019 and has submitted a declaration that he meets the criteria for independence as provided in the Act and SEBI Listing Regulations, and who is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Act, proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years commencing from August 27, 2019 to August 26, 2024."

6. Re-appointment of Mr. Sridar Iyengar as an Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing

Regulations”) [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Sridar Iyengar (DIN: 00278512), who was appointed as an Independent Director at the 18th Annual General Meeting of the Company and who holds office of the Independent Director up to August 26, 2019 and has submitted a declaration that he meets the criteria for independence as provided in the Act and SEBI Listing Regulations, and who is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Act, proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term commencing from August 27, 2019 to July 31, 2022.”

7. Re-appointment of Mr. Cyrus Guzder as an Independent Director of the Company

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Cyrus Guzder (DIN: 00080358), who was appointed as an Independent Director at the 18th Annual General Meeting of the Company and who holds office of the Independent Director up to August 26, 2019 and has submitted a declaration that he meets the criteria for independence as provided in the Act and SEBI Listing Regulations, and who is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Act, proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term commencing from August 27, 2019 to July 31, 2020.”

8. Re-appointment of Mr. Kavinder Singh as the Managing Director & Chief Executive Officer of the Company

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT subject to the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules,

2014 (including any statutory modifications or re-enactment thereof for the time being in force) and Articles of Association of the Company and subject to such approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded for the re-appointment of Mr. Kavinder Singh (DIN 06994031) as the Managing Director of the Company under the provisions of the Companies Act, 2013 to be designated as Managing Director & Chief Executive Officer (MD & CEO) for a period of 5 (five) years with effect from November 3, 2019 to November 2, 2024 at a remuneration and on such terms and conditions as set out in the Explanatory Statement attached to this Notice.

RESOLVED FURTHER THAT the remuneration payable to the MD & CEO by way of salary, perquisites and other allowances and benefits shall not exceed the limits laid down in Section 197 read with Schedule V of the Act, including any statutory modifications or re-enactment thereof.

RESOLVED FURTHER THAT notwithstanding anything contained herein, where in any financial year during the tenure of the MD & CEO, the Company has no profits or its profits are inadequate, the Company may pay to the MD & CEO the remuneration as the minimum remuneration for a period of 3 (three) years from the date of appointment or such other period as may be statutorily permitted by way of salary, perquisites, performance pay, other allowances and benefits as specified hereinabove, subject to receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

By order of the Board

Dhanraj Mulki
General Counsel & Company Secretary
FCS – 4631

Registered Office:

Mahindra Towers, 2nd Floor, No. 17/18,
Patullos Road, Chennai – 600 002.
T: 044 3988 1000 F: 044 3027 7778
CIN: L55101TN1996PLC036595
email: investors@mahindraholidays.com
Date: June 24, 2019

Notes:

- A. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") relating to the Special Business to be transacted at the Annual General Meeting ("AGM") is annexed hereto.
- B. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY MUST BE DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM.
- A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A Member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- C. A form of proxy is enclosed to this Notice. No instrument of proxy shall be valid unless:
- it is signed by the member or by his/her attorney duly authorised in writing or, in the case of joint holders, it is signed by the member first named in the register of members or his/her attorney duly authorised in writing or, in the case of body corporate, it is executed under its common seal, if any, or signed by its attorney duly authorised in writing; provided that an instrument of proxy shall be sufficiently signed by any member, who for any reason is unable to write his/her name, if his/her thumb impression is affixed thereto, and attested by a judge, magistrate, registrar or sub-registrar of assurances or other government gazette officers or any officer of a Nationalised Bank.
 - it is duly stamped and deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting, together with the power of attorney or other authority (if any), under which it is signed or a copy of that power of attorney certified by a notary public or a magistrate unless such a power of attorney or the other authority is previously deposited and registered with the Company / Registrar & Transfer Agent.
- D. In case of Joint Holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
- E. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the AGM.
- F. Members/Proxies are requested to bring duly filled attendance slips sent herewith to attend the AGM.
- G. The Company's Registrar and Transfer Agent for its Share Registry Work (Physical and Electronic) is Karvy Fintech Private Limited (formerly known as Karvy Computershare Private Limited)

("Karvy") having its office premises at Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032.

- H. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days between 10.00 am to 12 noon except Saturday, Sunday, Public Holiday and National Holiday up to the date of the AGM and copies thereof shall also be made available for inspection in physical or electronic form at the Corporate Office of the Company situated at Mahindra Towers, 1st Floor, Dr. G. M. Bhosle Marg, Worli, Mumbai - 400 018 as well as during the AGM at the venue thereof.
- I. The Register of Members and Transfer Books of the Company will be closed from Thursday, July 25, 2019 to Wednesday, July 31, 2019 (both days inclusive).
- J. Pursuant to the provisions of Section 124 and 125 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended ("IEPF Rules"), dividend, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, is liable to be transferred to IEPF Authority. Further, according to the IEPF Rules, the shares in respect of which dividend has not been paid or claimed by the Shareholders for a period of seven consecutive years are also liable to be transferred to the demat account of the IEPF Authority.

Last date of claiming unclaimed and unpaid dividend declared by the Company for the Financial Years 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18 to IEPF.

Financial Year ended	Date of declaration of dividend	Last date for claiming unpaid / unclaimed dividend
March 31, 2012	July 25, 2012	August 24, 2019
March 31, 2013	July 29, 2013	August 28, 2020
March 31, 2014	August 27, 2014	September 26, 2021
March 31, 2015	July 28, 2015	August 27, 2022
March 31, 2016	July 29, 2016	August 28, 2023
March 31, 2017	August 2, 2017	September 1, 2024
March 31, 2018	August 2, 2018	September 1, 2025

Members who have not encashed the dividend warrant so far in respect of the aforesaid period are requested to make their claim to Karvy well in advance of the above date.

The Company had sent individual notice to all the members whose shares/dividend was due to be transferred to the IEPF Authority and had also published newspaper advertisement in this regard.

The Company has uploaded the details of unclaimed dividend amounts lying with the Company as on August 2, 2018 (date of last AGM) and shareholders whose shares are liable to be transferred to the IEPF Authority on the Company's website <http://www.clubmahindra.com/about-us/investor-relations/financials>.

Mahindra Holidays & Resorts India Limited

- K. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act and Rules thereon. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH - 13 duly filled in to Karvy at the above mentioned address. Members holding shares in electronic form may contact their respective Depository Participant for availing this facility. Members holding shares in physical form requested to intimate any change of bank mandate to Karvy / Investor Relation Department of the Company immediately.
- L. In accordance with the provisions of Section 101 and 136 of the Act, read with the Rules framed thereunder, the Annual Report of the Company for the financial year 2018-19 and the Notice of 23rd AGM inter-alia indicating the process and manner of e-voting along with attendance sheet and proxy form are being sent by e-mail to those members who have registered their e-mail address with the Company (in respect of shares held in physical form) or with their Depository Participant (in respect of shares held in electronic form) and made available to the Company by the Depositories. In support of Green Initiative, the members, who desire to receive notice / documents through e-mail, are requested to communicate their e-mail ID and changes thereto from time to time to his/her Depository Participant / the Company's Registrar & Transfer Agent, Karvy.
- For Members who have not registered their e-mail addresses and/or have opted to receive the documents in physical form, physical copies of the Annual Report for the year 2018-19 and the Notice of the 23rd AGM would be sent in the permitted mode.
- Members may also note that the Notice of the 23rd AGM and the Annual Report for 2018-19 will also be available on the Company's website at the link: <http://www.clubmahindra.com> for their download. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request to the Company for the same or the Company's Registrar & Transfer Agent, Karvy.
- M. Members are requested to:
- intimate to the Company's Registrar and Transfer Agent, Karvy at the abovementioned address, changes, if any, in their registered addresses at an early date, in case of shares held in physical form;
 - intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of shares held in dematerialized form;
 - quote their folio numbers/Client ID/DP ID in all correspondences;
 - consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.
- N. KPRISM- Mobile service application by Karvy:
- "Members are requested to note that, Registrar and Share Transfer Agents, Karvy has launched a new mobile application - KPRISM and website <https://kprism.karvy.com> for online service to shareholders.
- Members can download the mobile application, register yourself (onetime) for availing host of services viz., consolidated portfolio view serviced by Karvy, Dividends status and send requests for change of Address, change / update Bank Mandate. Through the Mobile app, members can download Annual reports, standard forms and keep track of upcoming General Meetings, IPO allotment status and dividend disbursements. The mobile application is available for download from Android Play Store. Alternatively visit the link <https://kprism.karvy.com/app/> to download the mobile application."
- O. Re-appointment of Directors:
- In respect of the information to be provided under Regulation 36 of the SEBI Listing Regulations and Secretarial Standard 2 issued by the Institute of Company Secretaries of India, pertaining to Directors seeking re-appointment at the 23rd AGM, Members are requested to kindly refer the Corporate Governance Report in the Annual Report for 2018-19.
- P. Voting through electronic means
- In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 ("SEBI Listing Regulations"), the Company is pleased to offer e-voting facility to its members to exercise their right to vote at the 23rd AGM by electronic means in respect of the businesses to be transacted at the AGM, through the remote e-voting platform provided by Karvy. The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ("Remote e-voting").
- I. Remote e-voting:
- A. In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/ Depository Participants (s)] which includes details of E-voting Event Number [EVEN], USER ID and Password:
- Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - After entering these details appropriately, click on "LOGIN".
 - You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc..). The system will prompt you to change your password and update your contact details

like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVENT" i.e., Mahindra Holidays & Resorts India Limited.
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
 - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution(s).
 - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id kjr@mdassociates.co.in with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No."
- B. In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants(s)]:
- i. EVEN, User ID and Password is provided in the Attendance Slip.

- ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

- II. Voting at AGM: The Members who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through electronic voting system ('Insta Poll') shall be made available at the AGM. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however these Members are not entitled to cast their vote again at the AGM.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

III. Other Instructions

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Ms. Rajitha Cholleti, (Unit: Mahindra Holidays & Resorts India Limited) of Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 – 6716 1500 or call Karvy's toll free No. 1800 3454 001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on Sunday, July 28, 2019 (9:00 A.M. IST) and ends on Tuesday, July 30, 2019 (5:00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 24, 2019, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The Remote e-voting module shall be disabled for voting thereafter. Once the vote on resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- d. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. July 24, 2019.
- e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e. July 24, 2019, he/she may

obtain the User ID and Password in the manner as mentioned below:

- i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
 Example for NSDL:
 MYEPWD <SPACE> IN12345612345678
 Example for CDSL:
 MYEPWD <SPACE> 1402345612345678
 Example for Physical:
 MYEPWD <SPACE> XXXX1234567890
- ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of [https:// evoting.karvy.com](https://evoting.karvy.com), the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- iii. Member may call Karvy's toll free number 1800-3454-001.
- iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.
- f. Details of Scrutinizer: Mr. D Damodaran, Practicing Company Secretary (Membership No: 5837, Certificate of Practice No. 5081)
- g. The Scrutinizer's decision on the validity of the votes shall be final.
- h. The Scrutinizer after scrutinizing the votes cast at the Meeting by poll and through Remote e-voting, will not later than 2 days (two) days of conclusion of the AGM, make a consolidated Scrutinizer's Report and submit the same forthwith to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same.
- i. The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company (www.clubmahindra.com) and on the website of Karvy (<https://evoting.karvy.com>). The Results shall simultaneously be communicated to BSE Limited and National Stock Exchange of India Limited.
- j. The Resolutions shall be deemed to be passed on the date of the AGM i.e. July 31, 2019, subject to receipt of the requisite number of votes in favour of the Resolutions.

Q. Procedure and Instructions for Web Check-In / Attendance Registration

Members are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall. Alternatively, to facilitate hassle free and quick registration/entry at the venue of the AGM, the Company has provided a Web-Check in facility through Karvy's website. Web Check-in on the Karvy's website enables the Members to register attendance online in advance and generate Attendance Slip without going through the registration formalities at the registration counters.

Procedure of Web Check-in is as under:

- a. Log on to <https://karisma.karvy.com> and click on "Web Check-in for AGM.
- b. Select the name of the company: Mahindra Holiday & Resorts India Limited
- c. Pass through the security credentials viz., DP ID/Client ID/ Folio no. entry, PAN & "CAPTCHA" as directed by the system and click on the submission button.
- d. The system will validate the credentials. Then click on the "Generate my attendance slip" button that appears on the screen.
- e. The attendance slip in PDF format will appear on the screen. Select the "PRINT" option for direct printing or download and save for the printing.
- f. A separate counter will be available for the online registered Members at the AGM Venue for faster and hassle free entry and to avoid standing in the queue.
- g. After registration, a copy will be returned to the Member.
- h. The Web Check-in (Online Registration facility) is available for AGM during e-voting Period only i.e. Sunday, July 28, 2019 (9:00 A.M. IST) and ends on Tuesday, July 30, 2019 (5:00 P.M. IST).
- i. The Members are requested to carry their valid photo identity along with the above attendance slip for verification purpose.

By order of the Board

Dhanraj Mulki

General Counsel & Company Secretary
 FCS – 4631

Registered Office:

Mahindra Towers, 2nd Floor, No. 17/18,
 Patullos Road, Chennai – 600 002.
 T: 044 3988 1000 F: 044 3027 7778
 CIN: L55101TN1996PLC036595
 email: investors@mahindraholidays.com

Date: June 24, 2019

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 4 to 7:

Mr. Rohit Khattar, Mr. Sanjeev Aga, Mr. Sridar Iyengar and Mr. Cyrus Guzder were appointed as Independent Directors on the Board of the Company for a period of five years pursuant to the provisions of Section 149 of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges, by the Shareholders at the 18th Annual General Meeting ("AGM") of the Company held on August 27, 2014. Accordingly, Mr. Rohit Khattar, Mr. Sanjeev Aga, Mr. Sridar Iyengar and Mr. Cyrus Guzder shall complete their present term as an Independent Director of the Company on August 26, 2019 ("first term" in line with the explanation to Section 149(10) and 149(11) of the Act).

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the shareholders of the company. Further Section 149(11) of the Act provides that an independent director may hold office for up to two consecutive terms.

The Nomination and Remuneration Committee ("NRC") at its Meeting held on May 15, 2019 and vide its circular resolution dated June 22, 2019, on the basis of performance evaluation of Independent Directors and taking into account the external business environment, the business knowledge, acumen, experience and the substantial contribution made by Mr. Rohit Khattar, Mr. Sanjeev Aga, Mr. Sridar Iyengar and Mr. Cyrus Guzder during their tenure, has recommended to the Board that continued association of Mr. Rohit Khattar, Mr. Sanjeev Aga, Mr. Sridar Iyengar and Mr. Cyrus Guzder as Independent Directors of the Company would be beneficial to the Company.

Based on the above and the performance evaluation of Independent Directors, the Board recommends:

- (a) Re-appointment of Mr. Rohit Khattar and Mr. Sanjeev Aga, as Independent Directors of the Company, not liable to retire by rotation, to hold office for a second term of five years each commencing from August 27, 2019 to August 26, 2024.
- (b) Re-appointment of Mr. Sridar Iyengar, as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term commencing from August 27, 2019 to July 31, 2022.
- (c) Re-appointment of Mr. Cyrus Guzder, as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term commencing from August 27, 2019 to July 31, 2020.

The Company has received notices in writing from a Member of the Company under Section 160(1) of the Act proposing the candidature of Mr. Rohit Khattar, Mr. Sanjeev Aga, Mr. Sridar Iyengar and Mr. Cyrus Guzder for the office of a Director of the Company. The Company has also received the written declarations from Mr. Rohit Khattar, Mr. Sanjeev Aga, Mr. Sridar Iyengar and Mr. Cyrus Guzder stating that they meet the criteria of independence as provided under Section 149(6) of the Act and under the Regulation 16(1)(b) of the SEBI Listing Regulations.

Information to be provided under Regulation 36 of the SEBI Listing Regulations and Secretarial Standard 2 issued by the Institute of Company Secretaries of India, pertaining to Mr. Rohit Khattar, Mr. Sanjeev Aga, Mr. Sridar Iyengar and Mr. Cyrus Guzder, Independent Directors seeking re-appointment is mentioned in the Corporate Governance Report in the Annual Report and is also annexed to this Notice.

Mr. Rohit Khattar, Mr. Sanjeev Aga, Mr. Sridar Iyengar and Mr. Cyrus Guzder will be entitled to sitting fees for attending meetings of the Board and Committee(s) thereof and reimbursement of out of pocket expenses incurred by them in connection thereto. In addition, they would be entitled to commission out of profits, if any, of the Company as determined by the Board of Directors of the Company, based on the recommendation of the NRC of the Board and within the limits already approved by the Members of the Company at the 19th Annual General Meeting held on July 28, 2015.

Copy of the draft letter of appointment of Mr. Rohit Khattar, Mr. Sanjeev Aga, Mr. Sridar Iyengar and Mr. Cyrus Guzder setting out terms and conditions of appointment is available for inspection by the Members in physical or electronic form at the Registered office of the Company between 10.00 a.m. to 12.00 noon, on all working days (except Saturdays, Sundays and Public Holidays), up to the date of the Annual General Meeting (AGM) and copies thereof shall also be made available for inspection in physical or electronic form at the Corporate Office of the Company situated at Mahindra Towers, 1st Floor, Dr. G. M. Bhosle Marg, Worli, Mumbai - 400 018 as well as during the AGM at the venue thereof.

Your Directors recommend the Special Resolution(s) set out at Item Nos. 4 to 7 of the Notice for approval of the Members.

Save and except Mr. Rohit Khattar, Mr. Sanjeev Aga, Mr. Sridar Iyengar and Mr. Cyrus Guzder, who are interested in their respective appointments and their relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel (KMP) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution(s) set out at Item Nos. 4 to 7 of the Notice. None of the Directors and KMP of the Company are inter-se related to each other.

Item No. 8:

It may be noted that the Shareholders by way of Postal Ballot on December 26, 2014 had approved the appointment of Mr. Kavinder Singh (DIN 06994031), as Managing Director & CEO of the Company ("MD & CEO") for period of 5 (five) years with effect from November 3, 2014 to November 2, 2019 (both days inclusive) and remuneration payable to Mr. Kavinder Singh for a period of 3 (three) years with effect from November 3, 2014 to November 2, 2017 (both days inclusive) in accordance with the provisions of Schedule V of the Companies Act, 2013 ("the Act"). Further, the Shareholders at the 21st Annual General Meeting held on August 2, 2017 had approved the remuneration payable to Mr. Kavinder Singh as the MD & CEO for the remaining tenure upto November 2, 2019. Accordingly, Mr. Kavinder Singh will complete his present term as the MD & CEO on November 2, 2019.

On the recommendation of the NRC and subject to the approval of the members, the Board of Directors at their meeting held on May 15, 2019 have approved the re-appointment of Mr. Kavinder Singh as the MD & CEO of the Company for a period of 5 (five) years with effect from November 3, 2019 to November 2, 2024 and also his remuneration.

The terms of remuneration payable to Mr. Kavinder Singh, MD & CEO are set out below:

1.	Basic Salary	As may be decided by NRC from time to time in the scale of ₹ 8,50,000/- per month to ₹ 13,50,000/- per month
2.	Perquisites:	
	i) Personal Allowances	Not exceeding 1.5 times of the total basic salary per annum as per the Company's rules
	ii) Housing	Furnished / unfurnished accommodation or House Rent Allowance in lieu thereof not exceeding 60% of the basic salary per annum.
	iii) Performance Pay	Not exceeding 2 times of the total basic salary per annum as per the Company's Rules
	iv) Medical Reimbursement	Expenses incurred for MD & CEO and his family as per the Company's Rules
	v) Personal Accident Insurance	Premium as per the Company's Rules.
	vi) Leave Travel Concession	For MD & CEO and his family once in a year, incurred in accordance with the Company's Rules.
	vii) Encashment of leave	Encashment of leave not availed by the MD & CEO as per the Company's Rules.
	viii) Contribution to Funds	Contributions to Provident Fund, Superannuation Fund, Annuity Fund, National Pension Scheme / Gratuity / Contribution to Gratuity Fund as per the Company's Rules.

ix) Provision of car or conveyance allowance and telephone at the MD & CEO's residence for his use	Provision of 2 cars (including cost of fuel, insurance and maintenance expenses), driver for 2 cars or conveyance allowance and telephone at the MD & CEO's residence for his use as per the Company's Rules.
x) Stock Option	As recommended by the NRC of the Board.
xi) Other amenities and benefits	Such other benefits, amenities and facilities including club membership fees as per the Company's Rules
xii) Notice Period	The Nature of employment of the MD & CEO with the Company shall be contractual and can be terminated by giving three months' notice from either party.
xiii) Other Terms	<ul style="list-style-type: none"> • The value of the perquisites would be evaluated as per Income-tax Rules, 1962 wherever applicable and at cost in the absence of any such Rule. • Contribution to Provident Fund, Superannuation Fund, National Pension Scheme, Annuity Fund and Gratuity would not be included in the computation of ceiling on remuneration to the extent these either singly or put together are not taxable under the Income-tax Act, 1961. • Encashment of earned leave at the end of the tenure as per Rules of the Company shall not be included in the computation of ceiling on remuneration. • Provision of car for use on Company's business, mobile phone and telephone at residence would not be considered as perquisites.

Information to be provided under Regulation 36 of the SEBI Listing Regulations and Secretarial Standard 2 issued by the Institute of Company Secretaries of India, pertaining to Mr. Kavinder Singh, MD & CEO seeking re-appointment is mentioned in the Corporate Governance Report in the Annual Report and is also annexed to this Notice.

The Company has received a notice in writing from a Member of the Company under Section 160(1) of the Act proposing the candidature of Mr. Kavinder Singh for the office of Director of the Company.

Pursuant to the provisions of Section 196, 197 and all other applicable provisions of the Act, read with Schedule V to the Act and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the re-appointment of and remuneration payable to Mr. Kavinder Singh, MD & CEO is now being placed before the members at this AGM for

their approval by way of a Special Resolution.

Your Directors recommend Resolution at Item No. 8 as a Special Resolution for approval of the members.

Save and except Mr. Kavinder Singh who would be interested in his re-appointment and remuneration, and his relatives to the extent of their shareholding interest, if any, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financial or otherwise, in the Resolution set out at Item No. 8 of the Notice.

The following additional information as required under Schedule V to the Act is given below:

I. General Information:

(i) Nature of Industry:

The Company is primarily in the business of providing vacation ownership memberships.

(ii) Date or expected date of commencement of commercial production:

The Company was originally incorporated on September 20, 1996 as private limited company.

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable.

(iv) Financial performance based on given indicators – as per audited financial results for the year ended March 31, 2019:

Particulars	(₹ in lakhs)
Turnover & Other Income	96,343.85
Net profit as per Profit & Loss Account (after exceptional items and tax)	6,386.23
Profit as computed under Section 198 of the Companies Act, 2013	529.10
Net worth*	76,967.32

* The net worth is derived after excluding revaluation reserve of ₹ 73,759.44 lakhs and transition difference of ₹ -1,21,044.68 lakhs.

(v) Foreign Investment or collaborations, if any:

The Company has not entered into any foreign collaboration.

II. Information about the appointee

(i) Background details:

Mr. Kavinder Singh is a graduate in Mechanical engineering from NIT Warangal and has completed his General Management Program at Wharton Business School, Advance Manufacturing Strategy program of Harvard Business School and Advanced Marketing Management program from Wharton Business School. Mr. Kavinder Singh joined Mahindra Holidays & Resorts India Limited (Mahindra Holidays) as Managing Director & CEO on November 3, 2014.

In April 2015, he was given additional responsibilities as President (Leisure & Hospitality Sector) and Member of the Group Executive Board. In April 2019, Mr. Kavinder Singh was appointed as the Vice-Chairman of Holiday Club Resorts Oy, Finland. His goal is to develop Mahindra Holidays into a world class vacation ownership company.

Mr. Kavinder Singh has an overall experience spanning more than 33 years in consumer sector(FMCG/Paints/Adhesives). Prior to joining Mahindra Holidays, he has worked in Asian Paints Limited, ITC Limited and Pidilite Industries Limited. During his 17-year career with ITC, he was heading the Biscuits and Confectionery business and played a crucial role in setting up and building the 'Sunfeast' biscuits business. At Pidilite, he initiated the 'Strategic Initiatives Group' and led the transformational Corporate Strategic Initiatives. After a successful stint as Chief Strategy Officer, he became the first CEO of the Consumer Products Business at Pidilite.

(ii) Past remuneration:

Remuneration drawn by Mr. Kavinder Singh for the period April 1, 2018 to March 31, 2019 was ₹ 416.28 lakh.

(iii) Recognition or awards, if any:

The information is already covered in the Section "Background details".

(iv) Job profile and his suitability:

Mr. Kavinder Singh, MD & CEO, is responsible for day-to-day management of the Company, subject to overall superintendence, control and direction of the Board of Directors. Taking into consideration his qualifications and expertise in relevant fields, Mr. Kavinder Singh is best suited for the responsibilities assigned to him by the Board of Directors.

(v) Remuneration proposed:

Basic salary as may be determined by NRC of the Board from time to time in the scale of ₹ 8,50,000/- per month to ₹ 13,50,000/- per month and other perquisites and allowances as fully set above.

(vi) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

Taking into consideration the size of the Company, the profile of Mr. Kavinder Singh, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies. Further, the remuneration proposed is in line with the Remuneration Policy of the Company.

(vii) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel if any

Mr. Kavinder Singh has been granted 6,00,000 Options representing 6,00,000 equity shares of ₹ 10/- each at an Exercise Price of ₹ 176/- per Option under Mahindra Holidays & Resorts India Limited Employees Stock Option Scheme 2014. Besides the remuneration proposed to be paid to him, Mr. Kavinder Singh or any of his relatives do not have any other pecuniary relationship with the Company or relationship with the managerial personnel.

III. Other Information

As the remuneration proposed to Mr. Kavinder Singh is within the prescribed limit under the Companies Act, 2013, when calculated w.r.t. the last audited balance sheet i.e. as of March 31, 2019 and as the Company has adequate profits, the information w.r.t

- i) Reasons of loss or inadequate profits,
- ii) Steps taken or proposed to be taken for improvement, and
- iii) Expected increase in productivity and profits in measurable terms etc., is not applicable. The Company

A brief resume of Directors seeking reappointment including qualifications, experience and nature of expertise in specific functional areas, recognition or awards:

Mr. Arun Nanda (DIN 00010029)

Mr. Arun Nanda (70) is a Founder Director of Mahindra Holidays & Resorts India Limited (date of inception: September 20, 1996). Mr. Nanda holds a Degree in Law from the University of Calcutta, is a fellow member of the Institute of Chartered Accountants of India (FCA) and a fellow member of the Institute of Company Secretaries of India (FCS). Mr. Nanda has also participated in a Senior Executive Programme at the London Business School.

He joined the Mahindra Group in 1973 and held several important positions within the Group over the 40 years he was with the company. He was inducted to the Board of Mahindra & Mahindra Ltd. (M&M) in August 1992 and resigned as Executive Director in March 2010 to focus on the social sector and create a favourable ecosystem for senior citizens. He was a non-executive director from April 2010 till August 2014.

He is currently the Chairman of Mahindra Holidays & Resorts India Ltd. and Mahindra Lifespace Developers Ltd. He is also the Chairman of Holiday Club Resorts Oy, Finland, Director of National Skill Development Corporation, Chairman of CII National Committee on Skill Development, Chairman on the Governing Board of Centre for Social and Behaviour Change Communication, Member of the Governing Body of Helpage India and on the Advisory Board of TechnoServe India.

He is also Chairman Emeritus of the Indo-French Chamber of Commerce. He was Chairman of CII Western Region Council for the year 2010-2011 and Chairman of Tourism & Hospitality Skill Council. He was a Member of the Task Force set up by the B20 on Anti-Corruption which presented the policy paper to President Sarkozy at the G20 Summit held in Cannes in November 2011 and to President Putin in St. Petersburg in June 2013.

Mr. Nanda was honoured with an award of "Chevalier de la Legion d'Honneur" (Knight of the National Order of the Legion of Honour) by the President of the French Republic, Mr. Nicolas Sarkozy in 2008.

has posted a net profit after tax of ₹ 6,386.23 lakhs for the financial year ended March 31, 2019.

IV. Disclosures

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual report under the Corporate Governance Report Section under the heading "Remuneration paid to Managing Director" for the year ended March 31, 2019".

By order of the Board

Dhanraj Mulki

General Counsel & Company Secretary
FCS – 4631

Registered Office:

Mahindra Towers, 2nd Floor, No. 17/18,
Patullos Road, Chennai – 600 002.

T: 044 3988 1000 F: 044 3027 7778

CIN: L55101TN1996PLC036595

email: investors@mahindraholidays.com

Date: June 24, 2019

Mr. Arun Nanda is the recipient of the following awards:

- ❖ "Real Estate Person of the Year Award from GIREM Leadership Awards in India in 2008.
- ❖ "ICSI National Award" for Excellence in Corporate Governance for Mahindra & Mahindra as the best governed company in 2008.
- ❖ "CA Business Achiever Award - Corporate" at The Institute of Chartered Accountants of India Award 2009
- ❖ "Lifetime Achievement Award" at the Golden Star Awards 2010 for his outstanding contribution to the Hospitality Industry and the Service Sector.
- ❖ "Aatithya Ratna Award" by the Business Hotels Network and Horwath HTL in 2014 for his contribution to the success of the Hospitality Industry.
- ❖ "Lifetime Achievement Award" at the CNBC Awaaz Real Estate Awards in December 2014 for his relentless pursuit of excellence and dynamic leadership that steered the growth of Mahindra Lifespaces.
- ❖ "Recognition of CAs in Social Service" by the Institute of Chartered Accountants of India in August 2015 for best work for Senior Citizens.
- ❖ "IFCA Award of Excellence" by Indian Federation of Culinary Association in September, 2015 for outstanding contribution to the development of culinary profession and promotion of culinary art in India.
- ❖ "Lifetime Achievement Award" by National Real Estate Development Council (NAREDCO) in September 2016 for exceptional contribution to India's real estate sector.
- ❖ "Lifetime Achievement Award" by Hotelier India in December 2018 for the pioneering work and invaluable contribution to the hospitality industry.

Mr. Rohit Khattar (DIN 00244040)

Mr. Rohit Khattar (55) was appointed as a Director of the Company on January 12, 2004. In the current tenure, he was appointed as an Independent Director for the first term of 5 years pursuant to the provisions of the Act at 18th Annual General Meeting of Mahindra Holidays held on August 27, 2014.

Mr. Rohit Khattar graduated in 1985 from the School of Hotel, Restaurant and Institutional Management, Michigan State University, U.S.A. He is the Founder Chairman of Old World Hospitality Private Limited (O.W.H.), which is India's largest live entertainment organiser and operates India's most comprehensive performing arts and convention centre Habitat World at India Habitat Centre, New Delhi, as well as 2 hotels and over 35 restaurants, including the iconic 'Chor Bizarre' restaurant that he created 25 years ago as well as his latest restaurant 'Indian Accent', both of which have won numerous awards.

Mr. Rohit Khattar is Founder Chairman of Cinestaan Film Company, a boutique studio which has several films under development and production. He is also Chairman of Mumbai Mantra Media Limited, the entertainment vertical of the \$20.7 Billion Mahindra Group.

Mr. Rohit Khattar has over 33 years of experience in the hospitality industry. He was featured amongst 'The Big 10 of the F&B industry' and amongst 'the 99 superstars who changed our lives (across India)' by TimeOut in 2013. He was honored by the 'IFCA Award of Excellence' by the Indian Federation of Culinary Associations in appreciation of his outstanding contribution to the development of the culinary profession and society.

Mr. Sanjeev Aga (DIN 00022065)

Mr. Sanjeev Aga (67) was appointed as a Director of the Company on April 18, 2013. In the current tenure, he was appointed as an Independent Director for the first term of 5 years pursuant to the provisions of the Act at 18th Annual General Meeting of Mahindra Holidays held on August 27, 2014.

Mr. Sanjeev Aga did his schooling from Scindia School, Gwalior, graduated with Physics Honours from St Stephen's College, Delhi, and post graduated from IIM Kolkata. Mr. Sanjeev Aga spent his early business years with Asian Paints in field sales and marketing responsibilities. He later headed the Furniture and the Leo-Mattel Toys businesses of the erstwhile Blow Plast, now VIP Industries, before leading that company as MD from 1993 to 1998. Subsequently, Mr. Sanjeev Aga was also appointed as Managing Director at Aditya Birla Nuvo, and the Managing Director of Idea Cellular from 2006 until he stepped down in 2011.

For 2009, Mr. Sanjeev Aga received on behalf of Idea Cellular the ET Award for The Emerging Company of the Year. In 2009, Indira Innovation named him CEO of the Year, and in 2010 Tele.Net felicitated him for Outstanding Contribution to the Telecom Sector. In 2010, Forbes Magazine shortlisted Mr. Sanjeev Aga among 20 Indians for the Person of the Year. The Scindia School conferred upon him the Madhav Award 2014 for the Old Boy Of Eminence. Sanjeev Aga now engages in advisory and board roles for corporates and non-profits. He is based in Mumbai.

Mr. Sridar Iyengar (DIN 00278512)

Mr. Sridar Iyengar (71) was appointed as a Director of the Company on April 30, 2008. In the current tenure, he was appointed as an Independent Director for the first term of 5 years pursuant to the provisions of the Act at 18th Annual General Meeting of Mahindra Holidays held on August 27, 2014.

Mr. Sridar Iyengar graduated with B.Com (Hons) from the University of Calcutta and is a Fellow of the Institute of Chartered Accountants

in England and Wales. He is a board member of various companies. Mr. Sridar Iyengar was the Partner in charge of KPMG's Emerging Business Practice. He has held a number of leadership roles within KPMG's global organization particularly in setting up and growing new practices. He has the distinction of having worked as a partner in all three of KPMG's regions Europe, America and Asia Pacific as well as KPMG's disciplines assurance, tax consulting and financial advisory services. Mr. Sridar Iyengar served as Chairman and Chief Executive Officer of KPMG's operations in India between 1997 and 2000 and during that period was a member of the Executive Board of KPMG's Asia Pacific practice. Prior to that, he headed the International Services practice in the West Coast. On his return from India in 2000, he was asked to lead KPMG's effort on delivering audit and advisory services to early stage companies. He served as a member of the Audit Strategy group of KPMG LLP. After he left KPMG in 2002, Mr. Sridar Iyengar has remained active in advising young entrepreneurs in both commercial and social enterprises.

Mr. Cyrus Guzder (DIN 00080358)

Mr. Cyrus Guzder (73) was appointed as a Director of the Company on August 7, 1998. In the current tenure, he was appointed as an Independent Director for the first term of 5 years pursuant to the provisions of the Act at 18th Annual General Meeting of Mahindra Holidays held on August 27, 2014.

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

He has held the leadership position of CII's National Council of Civil Aviation and CII's National Committee on Logistics and also served on the Local Advisory Board of Barclays Bank, India and the Board of Governors of Reserve Bank of India's Banking Codes and Standard Board of India. He is currently a Member of the Court of Governors of Administrative Staff College and a Trustee of the Asiatic Society of Bombay and The Marg Foundation.

Mr. Kavinder Singh (DIN 06994031)

Mr. Kavinder Singh is a graduate in Mechanical engineering from NIT Warangal and has completed his General Management Program at Wharton Business School, Advance Manufacturing Strategy program of Harvard Business School and Advanced Marketing Management program from Wharton Business School. Mr. Kavinder Singh joined Mahindra Holidays & Resorts India Limited (Mahindra Holidays) as Managing Director & CEO on November 3, 2014. In April 2015, he was given additional responsibilities as President (Leisure & Hospitality Sector) and Member of the Group Executive Board. In April 2019, Mr. Kavinder Singh was appointed as the Vice-Chairman of Holiday Club Resorts Oy, Finland. His goal is to develop Mahindra Holidays into a world class vacation ownership company.

Mr. Kavinder Singh has an overall experience spanning more than 33 years in consumer sector(FMCG/Paints/Adhesives). Prior to joining Mahindra Holidays, he has worked in Asian Paints Limited, ITC Limited and Pidilite Industries Limited. During his 17-year career with ITC, he was heading the Biscuits and Confectionery business and played a crucial role in setting up and building the 'Sunfeast' biscuits business. At Pidilite, he initiated the 'Strategic Initiatives Group' and led the transformational Corporate Strategic Initiatives. After a successful stint as Chief Strategy Officer, he became the first CEO of the Consumer Products Business at Pidilite.

ADDITIONAL INFORMATION WITH RESPECT TO ITEM NOS. 3 to 8

Name of the Director	Mr. Arun Nanda	Mr. Rohit Khattar	Mr. Sanjeev Aga	Mr. Sridar Iyengar	Mr. Cyrus Guzder	Mr. Kavinder Singh
DIN	00010029	00244040	00022065	00278512	00080358	06994031
Age	70 years	55 years	67 years	71 years	73 years	54 years
Terms and conditions of appointment or re-appointment	Liable to retire by rotation.	As per the resolution at Item No. 4 of the Notice read with Explanatory Statement thereto	As per the resolution at Item No. 5 of the Notice read with Explanatory Statement thereto	As per the resolution at Item No. 6 of the Notice read with Explanatory Statement thereto	As per the resolution at Item No. 7 of the Notice read with Explanatory Statement thereto	As per the resolution at Item No. 8 of the Notice read with Explanatory Statement thereto
Details of remuneration sought to be paid	The Non-Executive Directors are entitled for commission (within the overall limits specified in shareholders resolution), sitting fees for attending board/committee meetings, reimbursement of expenses incurred in discharge of their duties, stock options (other than Independent Directors).					
Details of remuneration last drawn by such person (FY 2018-19)	Provided in the Corporate Governance Report in the Annual Report for 2018-19					
Date of first appointment on Board	September 20, 1996	January 12, 2004	April 18, 2013	April 30, 2008	August 7, 1998	November 3, 2014
Shareholding in the Company	12,66,945 equity shares	40,050 equity shares	Nil	10,313 equity shares	40,050 equity shares	Nil
Relationship with other Directors and Key Managerial Personnel	None of the Directors and KMPs of the Company are inter-se related.					
The number of meetings of the Board attended during the financial year 2018-19	6 (out of 6 meetings held)	4 (out of 6 meetings held)	5 (out of 6 meetings held)	4 (out of 6 meetings held)	6 (out of 6 meetings held)	6 (out of 6 meetings held)

Name of the Director	Mr. Arun Nanda	Mr. Rohit Khattar	Mr. Sanjeev Aga	Mr. Sridar Iyengar	Mr. Cyrus Guzder	Mr. Kavinder Singh
Other Directorships (excluding Mahindra Holidays & Resorts India Limited)	<ul style="list-style-type: none"> Mahindra World City (Jaipur) Limited Mahindra Holdings Limited Mahindra World City Developers Limited Mahindra Lifespace Developers Limited National Skill Development Corporation Mahindra Happinest Developers Limited Holiday Club Resorts Oy HCR Management Oy 	<ul style="list-style-type: none"> Old World Hospitality Private Limited IE Marketing Private Limited Tamarai Suites Private Limited ILC Hospitality Limited Mumbai Mantra Media Limited Ekatra Hospitality Ventures Private Limited Tikka Town Private Limited Cinestaan Entertainment Private Limited Cinestaan Film Company Private Limited Cinestaan Digital Private Limited Old World Hospitality International Ltd. Ekatra Ventures Singapore PTE. Ltd. India's Restaurants Ltd. Markz Hospitality Inc. Midtown Manor LLC 	<ul style="list-style-type: none"> Pidlite Industries Limited UFO Moviez India Limited Larsen & Toubro Limited Larsen & Toubro Infotech Limited Vedant Fashions Private Limited Vishal Megamart Private Limited 	<ul style="list-style-type: none"> ICICI Venture Funds Management Company Limited Dr. Reddy's Laboratories Limited Dr. Reddy Laboratories S.A. Cleartrip Private Limited ClearTrip Inc. AverQ Inc Holiday Club Resorts Oy 	<ul style="list-style-type: none"> AFL Private Limited The Great Eastern Shipping Company Limited N.S. Guzder & Co. Pvt. Ltd. Quikjet Cargo Airlines Pvt. Ltd. Cyfast Enterprises Pvt. Ltd. Indglobal Network Support Pvt. Ltd. Nukote Coating Systems India Pvt. Ltd. BDS Projects India Private Limited Rapidair Aviation Services Pvt. Ltd. Seejay Management Consultants Pvt. Ltd. 	<ul style="list-style-type: none"> Holiday Club Resorts Oy

Name of the Director	Mr. Arun Nanda	Mr. Rohit Khattar	Mr. Sanjeev Aga	Mr. Sridar Iyengar	Mr. Cyrus Guzder	Mr. Kavinder Singh
<p>Membership / Chairmanship of other Boards (excluding Mahindra Holidays & Resorts India Limited)</p>	<p>Mahindra Lifespace Developers Limited</p> <p>Stakeholders Relationship Committee – Chairman</p> <p>Loans & Investment Committee – Chairman</p> <p>Nomination & Remuneration Committee – Member</p> <p>Share Transfer and allotment Committee – Member</p> <p>Committee for Investment in Residential Joint Ventures / Large Format Developments – Member</p> <p>Corporate Social Responsibility – Chairman</p> <p>Mahindra Holdings Limited</p> <p>Loans & Investment Committee – Member</p> <p>Mahindra World City (Jaipur) Limited</p> <p>Capital Issue Committee – Member</p> <p>Loans & Investment Committee – Member</p>	<p>Mumbai Mantra Media Limited</p> <p>Remuneration Committee - Member</p>	<p>Pidilite Industries Ltd</p> <p>Audit Committee – Member</p> <p>Stakeholders Relationship Committee – Chairman</p> <p>Nomination & Remuneration Committee – Member</p> <p>Corporate Social Responsibility – Member</p> <p>UFO Moviez India Limited</p> <p>Audit Committee – Chairman</p> <p>Nomination & Remuneration Committee – Member</p> <p>Larsen & Toubro Limited</p> <p>Audit Committee - Member</p>	<p>Cleartrip Private Limited</p> <p>Audit Committee – Chairman</p> <p>ICICI Venture Funds Management Company Limited</p> <p>Audit Committee – Member</p> <p>Dr. Reddy's Laboratories Limited</p> <p>Audit Committee – Chairman</p>	<p>The Great Eastern Shipping Company Limited</p> <p>Nomination & Remuneration Committee – Chairman</p> <p>Audit Committee – Chairman</p> <p>Stakeholders Relationship Committee – Chairman</p> <p>Corporate Social Responsibility – Member</p>	<p>None</p>



Mahindra Holidays & Resorts India Limited

(CIN: L55101TN1996PLC036595)

Registered Office: Mahindra Towers, 2nd Floor, No. 17/18, Patullos Road, Chennai – 600 002

T: +91 44 3988 1000 F: +91 44 3027 7778

W: www.clubmahindra.com • E: investors@mahindraholidays.com

FORM NO. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:	L55101TN1996PLC036595
Name of the Company:	Mahindra Holidays & Resorts India Limited
Registered Offices:	2 nd Floor, Mahindra Towers, 17/18, Patullos Road, Chennai – 600 002
Name of the member(s):	
Registered address:	
E-mail Id:	
Folio No/Client Id	
DP ID	

I/We, being the member(s) of Mahindra Holidays & Resorts India Limited holding.....shares of the Company, hereby appoint:

1	Name			
	Address			
	E-mail id		Signature	
	or failing him / her			
2	Name			
	Address			
	E-mail id		Signature	
	or failing him / her			
3	Name			
	Address			
	E-mail id		Signature	

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 23rd Annual General Meeting of the Company, to be held on Wednesday, July 31, 2019 at 3:00 P.M. at Vani Mahal Hall (Mahaswami Hall), 103, G. N. Chetty Road, T Nagar, Chennai 600 017, Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
ORDINARY BUSINESS				
1.	To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.			
2.	To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.			
3.	To appoint a director in place of Mr. Arun Nanda (DIN:00010029), who retires by rotation and being eligible, offers himself for re-appointment.			
SPECIAL BUSINESS				
4.	Re-appointment of Mr. Rohit Khattar (DIN: 00244040) as an Independent Director of the Company for a second term of 5 years commencing from August 27, 2019 to August 26, 2024			
5.	Re-appointment of Mr. Sanjeev Aga (DIN: 00022065) as an Independent Director of the Company for a second term of 5 years commencing from August 27, 2019 to August 26, 2024			
6.	Re-appointment of Mr. Sridar Iyengar (DIN: 00278512) as an Independent Director of the Company for a second term commencing from August 27, 2019 upto July 31, 2022			
7.	Re-appointment of Mr. Cyrus Guzder (DIN: 00080358) as an Independent Director of the Company for a second term commencing from August 27, 2019 to July 31, 2020			
8.	Re-appointment of Mr. Kavinder Singh (DIN: 06994031) as the Managing Director & Chief Executive Officer of the Company for the period of 5 years commencing from November 3, 2019 to November 2, 2024 and remuneration payable to him.			

Signed this.....day of.....2019.

Signature of the Member:

Signature of Proxy holder(s):

Affix
Re.1/-
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective, should be duly stamped, completed, signed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the meeting.
2. It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.



Mahindra Holidays & Resorts India Limited

(CIN: L55101TN1996PLC036595)

Registered Office: Mahindra Towers, 2nd Floor, No. 17/18, Patullos Road, Chennai – 600 002

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W: www.clubmahindra.com • E: investors@mahindraholidays.com

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint Shareholders desiring to attend the Meeting may obtain additional Attendance Slip on request. Provided such request is received by the Company/Registrar and Transfer Agent, Karvy Fintech Private Limited (formerly known as Karvy Computershare Private Limited) at Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 before July 24, 2019.

Name & Address of the Shareholder:

Joint Holder 1:

Joint Holder 2:

Folio No.:

DP ID:

Client ID:

No. of Shares:

I / We record my / our presence at the TWENTY THIRD ANNUAL GENERAL MEETING of the Company being held at Vani Mahal Hall (Mahaswami Hall), 103, G. N. Chetty Road, T Nagar, Chennai, 600017, Tamil Nadu on Wednesday, July 31, 2019 at 3.00 P.M.

Name(s) of the Shareholder(s)/Proxy (IN BLOCK CAPITALS)

Signature(s) of the Shareholder(s) or Proxy

NOTE: You are requested to sign and handover this slip at the entrance of the meeting venue. Joint Members may obtain additional slip on request at the venue of the meeting. You are also requested to bring your copy of Annual Report at the meeting.

ELECTRONIC VOTING PARTICULARS

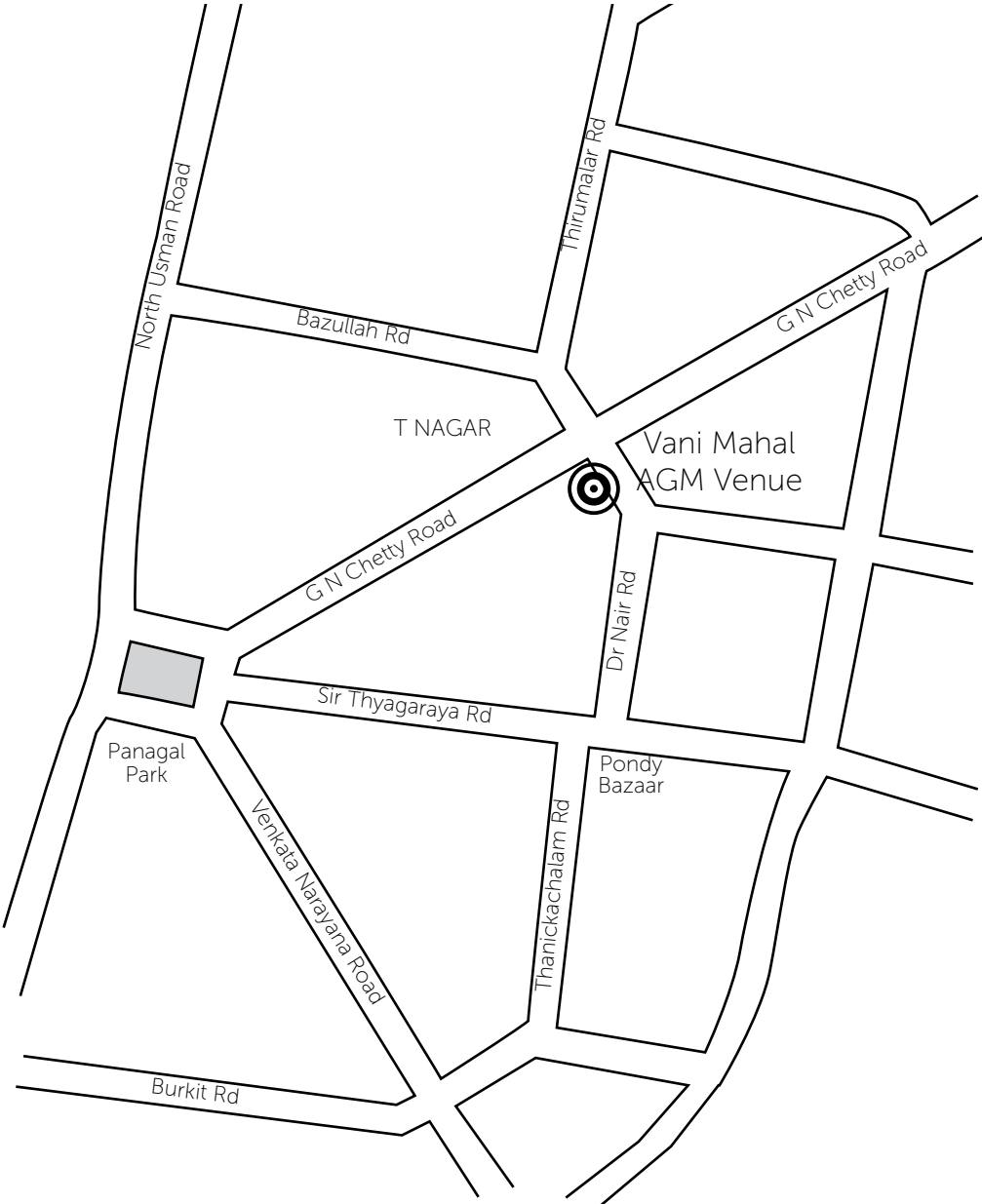
Shareholder may please note the user id and password given below for the purpose of e-Voting in terms of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014.

EVEN (e-Voting Event Number)	User ID	Password

Notes:

1. The e-voting period will commence on Sunday, July 28, 2019 (9.00 a.m. IST) and will end on Tuesday, July 30, 2019 (5.00 p.m. IST).
2. Detailed instructions for e-voting are given in Note No. '[P]' of the AGM Notice.

ROUTE MAP





A YEAR OF MORE

More resorts. More members. More experiences.

Mahindra Holidays & Resorts India Limited
23rd Annual Report 2018 - 19

INDIA'S BEST
COMPANIES TO
WORK FOR -
TOP 100, 2018
GREAT PLACE
TO WORK® INSTITUTE

INDIA'S
MOST POPULAR
RESORT
CHAIN
TIMES TRAVEL
AWARD 2019

INDIA'S
FAVOURITE
RESORT
CHAIN
HOLIDAY IQ
AWARD 2017

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Corporate Information

Board of Directors

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

Chief Financial Officer

Akhila Balachandar

General Counsel & Company Secretary

Dhanraj Mulki (w.e.f. October 29, 2018)

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
Radhika Shastry
V S Parthasarathy

Nomination and Remuneration Committee

Cyrus Guzder
Arun Nanda
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
Cyrus Guzder
V S Parthasarathy
Kavinder Singh

Inventory Approval Committee

Arun Nanda
Cyrus Guzder
Kavinder Singh

Strategy and Review Committee

Arun Nanda
Cyrus Guzder
Rohit Khattar
Sanjeev Aga
Kavinder Singh

Registrar and Transfer Agent

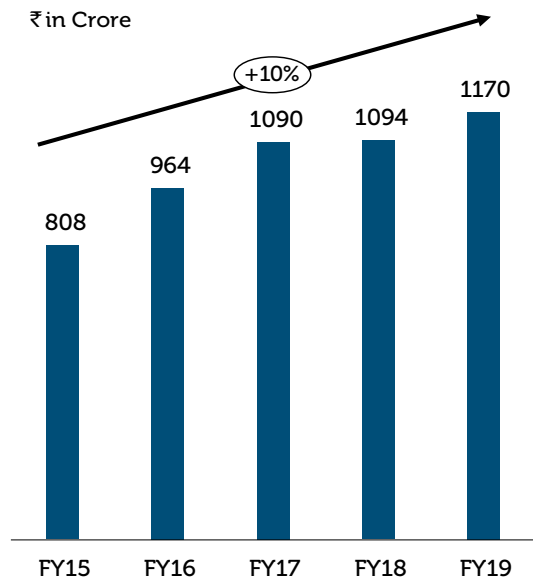
Karvy Fintech Private Limited
(formerly Karvy Computershare Private Limited)
Karvy Selenium, Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032
T: +91 40 6716 2222;
F: +91 40 3321 1000
Toll free No: 18003454001;
E: einward.ris@karvy.com

Chennai Office:

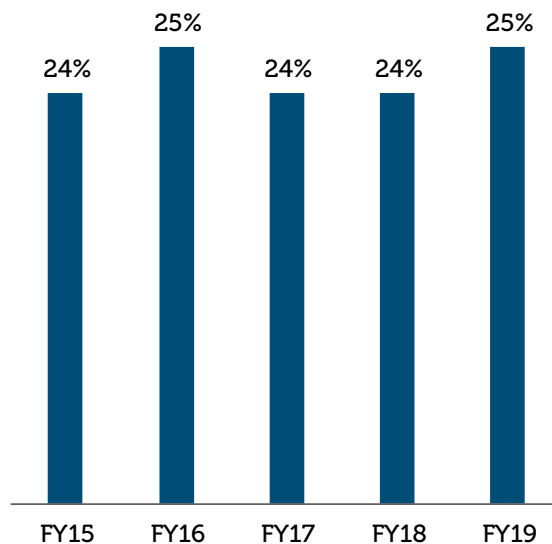
F-11, First Floor, Akshya Plaza,
108 Adithanar Salai,
Egmore, Chennai – 600 002
T: +91 44 2858 7781

Total Income

₹ in Crore

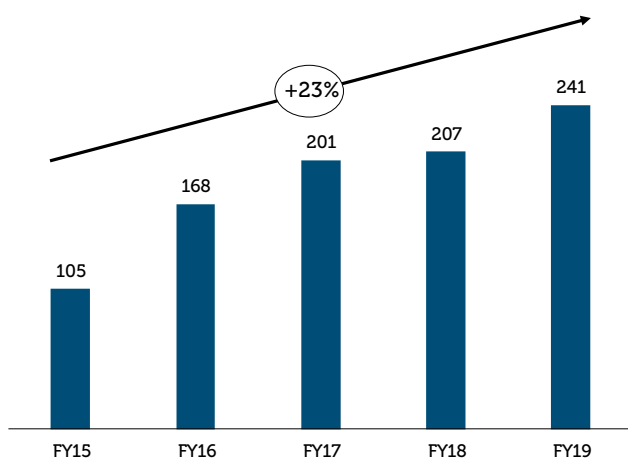


EBITDA Margin



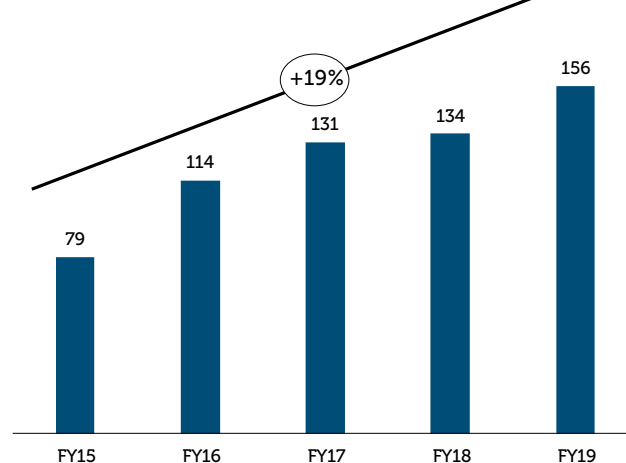
PBT

₹ in Crore



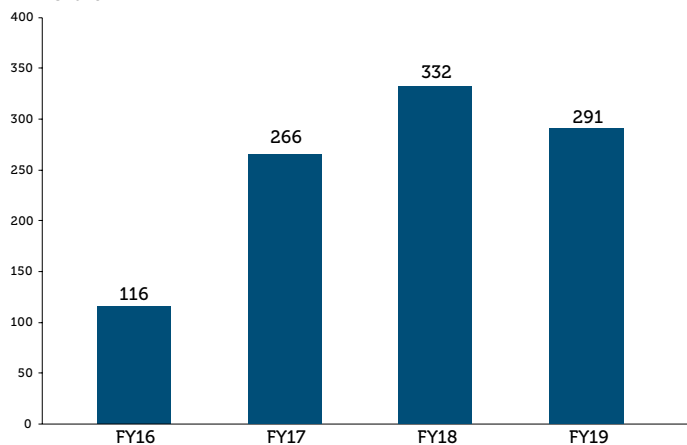
PAT

₹ in Crore

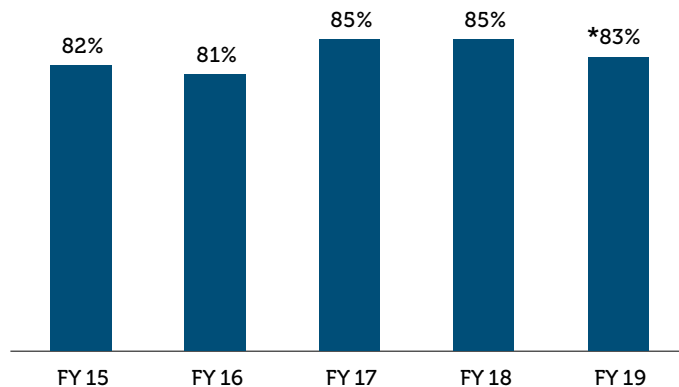


Operating Cashflow

₹ in Crore



Occupancy Trend



*Low Occupancy due to unprecedented floods in Kerala & Coorg in August

FINANCIAL HIGHLIGHTS FOR THE LAST 5 YEARS - STANDALONE

(₹ in lakhs)

Particulars	Ind AS 115	Ind AS 18				IGAAP
	2018-19	2018-19	2017-18	2016-17	2015-16	2014-15
Revenue from operations	91,829	1,12,521	1,06,419	1,07,318	95,153	79,485
Total Income	96,344	1,17,036	1,09,419	1,09,039	96,394	80,756
"Earnings Before Depreciation, Finance Cost and Tax Expenses (EBDIT)"	15,160	29,264	26,200	26,150	23,950	19,250
Depreciation and Amortisation	5,141	5,141	5,480	6,053	7,133	6,541
Exceptional Items	-	-	-	-	-	2,188
Profit For the Year	6,386	15,575	13,436	13,065	11,359	7,902
Equity Dividend %	-	-	40	50	50	40
Equity Share Capital	13,290	13,290	13,276	8,823	8,806	8,803
Reserves and Surplus	16,392*	1,46,625#	63,169	58,619	50,253	64,287
Net Worth	29,682*	1,59,915#	76,445	67,442	59,059	73,089
Net Fixed Assets	2,02,146	2,02,146	96,774	95,635	95,390	86,761
Total Assets	6,04,958	4,45,511	3,28,777	2,98,642	2,68,321	2,71,392
Market Capitalisation (as on March 31)	3,19,795	3,19,795	3,91,324	3,84,599	3,43,182	2,28,877

Note:

* includes revaluation reserves and transition difference

includes revaluation reserves

KEY INDICATORS

Particulars	Ind AS 115	Ind AS 18				IGAAP
	2018-19	2018-19	2017-18	2016-17	2015-16	2014-15
Diluted Earnings Per Share - (₹)	4.80*	11.71*	10.10#	9.85#	12.87	8.98
Book Value Per Share - (₹)	22.33	120.33	57.58	76.44	67.07	83.03
EBDIT / Total Income %	15.74%	25.00%	23.94%	23.98%	24.85%	23.84%
Net Profit Margin %	6.63%	13.31%	12.28%	11.98%	11.78%	9.79%

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

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

Chairman's Message



Dear Shareholders,

Your Company was set up with a singular objective to offer unmatched family holidaying experiences. This is being done year after year, by creating best in class, fully serviced holiday resorts, backed by the highest standards of service excellence. It is a matter of pride that every time I meet a member he/she says 'your people in resorts are very caring and looked after us very well'.

Mahindra Holidays is India's market leader in the vacation ownership business, with 61 resorts in India and abroad and over 2.43 lakhs members. With its Finnish subsidiary, Holiday Club Resorts, your Company has over 3 lakhs members and additional 33 resorts in Europe. This makes Mahindra Holidays the largest vacation ownership company outside the USA.

Let me share with you, salient points of Mahindra Holiday's performance for 2018-19:

- ❖ Your Company's total membership reached 2,43,574, a CAGR of 7.4% over the last five years.
- ❖ On a standalone basis, your Company now has a total room inventory of 3,595 units across 61 resorts. In addition, a greenfield project at Assanora (Goa) and an expansion project at Ashtamudi (Kerala) are under construction and will add another 300 rooms. Another project — a 140 room expansion at Kandaghat, Himachal Pradesh — is in the planning and approval stage. In addition, your Company has a good pipeline of land bank for future projects. It is also continuously looking at opportunities to acquire and lease new resorts. I am sure you will see a significant growth in this area in the near future.
- ❖ The quality of your Company's resorts and the services that these provide have been recognised through numerous awards. Mahindra Holidays has the unique distinction of having 31 RCI Gold Crown and 3 Silver Crown resorts in India. It was ranked as the 'Most Popular Resort Chain' by Times Travel Awards in 2018-19. Trip Advisor has awarded Certificate of Excellence to 17 of our resorts.

- ❖ Your Company has invested in significantly improving its members' experience, both by use of technology and constantly upskilling its employees. Introduction of 'Holiday Experts' for end-to-end onboarding experience of new members helped increase unique member holidays by 7.3% in 2018-19. These innovations have helped your Company to maintain a high average occupancy rate of 83% in a year, even when severe floods and untimely rains affected as much as 30% of its inventory for approximately three months.
- ❖ I am particularly proud of the quality of "Team Club Mahindra". During 2018-19, each employee received an average of 11.3 man days of focused training. Not surprisingly, Mahindra Holidays was conferred "Significant Achievement in HR Excellence" at the "HR Excellence Award for 2018-19" by Confederation of Indian Industry; and featured among "India best companies to work for: Top 100, 2018" by the "Great Place to Work Institute".
- ❖ In addition, the Company is doing good work in the area of CSR and Sustainability, which is mentioned in the Management Discussion and Analysis.
- ❖ From 1 April 2018, Mahindra Holidays adopted the Accounting Standard Ind AS 115, which requires income from vacation ownership contracts to be recognised over the tenure of membership. Prior to this, the accounts were prepared according to Ind AS 18 where 60% of the sale value of Vacation Ownership membership i.e. the non-refundable admission fee was accounted for as income in the year of sale and the balance 40% was recognised over the tenure of the membership.

Now, under the new Accounting Standard Ind AS 115, revenue is recognised, on a prorata basis, over the tenure of the membership. While a significant part of the income is deferred, only a small portion of the costs such as commission, incentives and offers directly linked to membership acquisition are deferred. As a result, the reported income and profits are lower under Ind AS 115.

While this has affected our revenue and profitability for the current year, the good news is that the Company now has a significant Deferred Revenue balance as on 31st March 2019 of ₹ 5,23,931.77 lakhs, while the Deferred Costs are only ₹ 68,842.63 lakhs. This will augur well for the future as it will significantly improve profitability in the coming years, on account of recognising income (net of costs) of earlier years.

The Management of your Company is continuously improving the additions to its existing member base and has taken significant steps to improve both the processes of acquisition and quality of membership. In addition, they are also looking at new opportunities of revenue growth, plans for which are in advance stages.

My heartfelt thanks to all our employees in India and at the Holiday Club Resorts, Finland for making Mahindra Holidays the great Company that it is. Also, a big thank you to our members, business partners and associates. And my gratitude to you shareholders for keeping your faith in us.

With best regards,

Arun Nanda
Chairman

Directors' Report

Dear Shareholders,

Your Directors are pleased to present their Twenty Third Report together with the Audited Financial Statements of your Company for the year ended March 31, 2019.

1. Operations and Financial Overview

During the financial year 2018-19, your Company has registered a steady growth in memberships as well as in resort incomes. This, coupled with efficiency gains across the operations, has allowed your Company to register credible results in the financial year 2018-19. Your Company added 18,377 new members to its vacation ownership business, taking the total membership to over 2.43 lakhs at the end of the year. The growth in the member addition is a result of continued success of Company's pull-based digital and referral leads as well as tapping of prospects by way of engagement through innovative platforms, alliances and corporate partnerships. During the year under review, the Company has also focussed on reinventing its marketing and brand building campaigns to bring alive the 'Club Mahindra' experience and generate a pull for the brand by making it more aspirational and exciting. Your Company added 6 resorts during the year under review, taking the total inventory to 3,595 units across its 61 resorts as of March 31, 2019.

During the year under review, your Company has increased its stake in Holiday Club Resorts Oy, Finland (HCR) from 95.16% to 96.47% on account of acquisition of additional shares in line with the agreements executed with the shareholders of HCR and conversion of loans into equity.

The accounts of the Company upto the financial year ended March 31, 2018, were prepared in accordance with the provisions of Indian Accounting Standard ("Ind AS") 18, where non-refundable admission fees of 60% was accounted for as income in the year of sale. The Ministry of Corporate Affairs ('MCA') vide its notification dated March 28, 2018 has mandated that from April 1, 2018, the accounts of the Company have to be prepared in accordance with Ind AS 115. As per this new standard Ind AS 115, income from vacation ownership contracts needs to be recognised over the tenure of membership and only incremental costs incurred for obtaining the membership are deferred over the tenure of the contract. Other costs have to be charged to Profit & Loss for the period.

In view of the above, the financial statements of the Company for the financial year ended March 31, 2019, have been prepared in accordance with the Ind AS as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Accordingly, the Company has applied the modified retrospective approach as per para C3(b) of Ind AS 115 to contracts that were not completed as on April 1, 2018 and the cumulative effect of applying Ind AS 115 is recognized at the date of initial application i.e. April 1, 2018 in accordance with para C7 of Ind AS 115 as an adjustment to other equity. The transitional adjustment in standalone books of ₹ 1,21,044.68 lakhs (net of deferred tax) has been stated as Transition Difference under other equity based on the requirements of the Ind AS 115. Further, due to application of Ind AS 115, membership fees and incremental cost to obtain and / or fulfill a contract with a customer, as applicable, is recognized over the effective membership period.

Considering the change in the applicable Ind AS, the financial results presented for the year ended March 31, 2019 (as per Ind AS 115), are not comparable with the financial results presented for the year ended March 31, 2018 (as per Ind AS 18 and which have not been restated).

As at September 30, 2018, the Company has changed its accounting policy with respect to measurement of freehold land. According to the revised policy, freehold land is revalued and measured at fair value, based on periodic valuation done by external independent valuer using market approach. The revaluation surplus is recorded in Other Comprehensive Income and is credited to Revaluation reserve in other equity. This revaluation surplus is not available for distribution to shareholders. The carrying value of freehold land as at March 31, 2019 under revaluation model is ₹ 1,12,875.64 lakhs and as per cost model is ₹ 16,714.49 lakhs.

During the year under review, your Company's total income (including other income) was ₹ 96,343.85 lakhs, Profit After Tax (PAT) was ₹ 6,386.23 lakhs and Diluted earnings per share (EPS) stood at ₹ 4.80.

Further, your Company's consolidated total income (including other income) was ₹ 2,29,566.05 lakhs, consolidated PAT was ₹ 5,957.19 lakhs and the Diluted EPS for 2018-19 stood at ₹ 4.54.

2. Financial Highlights (Standalone)

(₹ in lakhs)

	Ind AS 115	Ind AS 18
	2018 - 2019	2017 - 2018
Income:		
Income from sale of Vacation Ownership and other services	91,829.15	1,06,418.57
Other Income	4,514.70	3,000.46
Total Income	96,343.85	1,09,419.03
Expenditure:		
Less: Employee Cost & Other Expenses	81,183.92	83,219.30
Profit before Depreciation, Interest and Taxation	15,159.93	26,199.73
Less: Depreciation	5,140.50	5,479.55
Interest	2.19	4.86
Profit for the year before Tax	10,017.24	20,715.32
Less: Provision for Tax – Current Tax	2,201.66	6,558.88
– Deferred Tax (net)	1,429.35	720.57
Net Profit for the year after Tax	6,386.23	13,435.87
Other Comprehensive Income (Net of Tax)	73,921.20	(71.57)
Total Comprehensive Income	80,307.43	13,364.30

3. Share Capital

During the year under review, the Company has allotted 1,10,000 equity shares of ₹ 10 each to the eligible employees 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, 2019 was ₹ 133,55,37,840 (Rupees One Hundred Thirty Three Crore Fifty Five Lakhs Thirty Seven Thousand Eight Hundred and Forty only) divided into 13,35,53,784 (Thirteen Crore Thirty Five Lakhs Fifty Three Thousand Seven Hundred and Eighty Four) equity shares of ₹ 10 each (Rupees Ten only).

During the year under review, your Company did not issue shares with differential voting rights / sweat equity. Details of Directors' shareholding as on March 31, 2019, are mentioned in the Corporate Governance Report, which forms part of this Annual Report.

4. Dividend

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

As explained above, with the adoption of new revenue recognition policy in accordance with Ind AS 115, the Company had to change its revenue recognition policy. Consequently, the Deferred Revenue and Deferred Costs had to be recomputed and has been stated as Transition Difference. The Company

is profitable and has healthy cash flows and has declared dividends every year since 2006. The Company is seeking a clarification from MCA that, this Transition Difference need not be considered for the purpose of declaration of dividend under the provisions of Section 123(1) of the Act. The declaration of dividend, if any, shall be subject to receipt of clarification from MCA.

5. Transfer to Reserve

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

6. Related Party Transactions

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

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

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

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, Investments and Securities

As your Company is engaged in the activity covered under Schedule VI of the Act, the provisions of Section 186 of the Act relating to loans given, investments made, guarantees given or securities provided are not applicable to the Company. However, the details of such loans given and guarantees given to / on behalf of subsidiary companies / JV company are provided in 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. Particulars of investments made by your Company are provided in the Standalone Financial Statements at Note Nos. 6 and 13.

During the year under review, your Company has provided Corporate Guarantee of Euro 5 million on behalf of MHR Holdings (Mauritius) Limited, Mauritius ("MHR Holdings"), subsidiary company of the Company as a collateral security towards the financial facilities 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.

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

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

9. Corporate Social Responsibility

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

10. Sustainability

In line with the philosophy of the Mahindra Group, your Company is committed to following sustainable practices in its

operations. The details of the initiatives taken by your Company in this regard are discussed in the section on Sustainability in the Management Discussion and Analysis Report, which forms a part of this Annual Report.

11. Business Responsibility Report

The 'Business Responsibility Report' (BRR) of your Company for the year 2018-19, as required under Regulation 34(2)(f) of the SEBI Listing Regulations, forms part of this Annual Report.

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

12. Corporate Governance Report

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

13. Management Discussion and Analysis Report

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

14. Whistle Blower Policy & Vigil Mechanism

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

15. Employees' Stock Options

Employees' Stock Options represent a reward system based on overall performance of the individual employee and the Company. It helps the Company to attract, retain and motivate the best available talent. This also encourages employees to

align individual performances with the Company and promotes increased participation by the employees in the growth of the Company. Accordingly, your Company formulated the Employees' Stock Option Scheme in 2006 (2006 Scheme) and subsequently in 2014 (2014 Scheme) after obtaining requisite approvals from the shareholders. All the balance shares available under 2006 Scheme together with any other shares represented by Options that may lapse for any reason thereat, was/will be considered for issuing/granting Options to the Employees pursuant to the provisions under the 2014 Scheme.

During the year under review, pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014 ("SEBI ESOP Regulations") no new options were granted under 2014 Scheme.

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 through its subsidiary Covington S.à.r.l, Luxembourg, increased its equity stake in Holiday Club Resorts Oy, Finland ('HCR') from 95.16% to 96.29% in August 2018 and further to 96.47% in November 2018.

Further, Holiday Club Canarias Investments S.L.U., a step down subsidiary of the Company, acquired 100% stake in Passeport Sante SLU ("Passeport"). Accordingly, Passeport has become a step-down subsidiary of the Company. Also, Kiinteistö Oy Himoksen Tähti 2 has been merged with HCR and consequently, has ceased to be a subsidiary of the Company.

During the year, HCR has sold its entire 49% stake in Kiinteistö Oy Sallan Kylpylä ('Kiinteistö') and consequently, Kiinteistö has ceased to be an associate of HCR and in turn of the Company.

Arabian Dreams Hotel Apartments LLC, Dubai (Arabian Dreams), a Joint Venture company of the Company, is considered as subsidiary company from Financial Year 2016-17 in accordance with the provisions of Indian Accounting Standards. Accordingly, as of March 31, 2019, your Company has 36 subsidiaries (including 30 indirect subsidiaries), 1 Joint Venture company (indirect) and 2 associate companies (including 1 indirect associate).

17. Performance of Subsidiaries

Domestic Subsidiaries

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

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

Foreign Subsidiaries

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

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

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

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

Covington is a wholly owned subsidiary of MHR Holdings and in turn a subsidiary of your Company. The principal activity of Covington is to hold investments. Currently, it holds investments in HCR and HCR Management Oy (HCRM), Finland. As on March 31, 2019, Covington holds 96.47% 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, 2019, HCR has 33 resorts of which 25 are located in Finland, 2 in Sweden and 6 in Spain and the same are fully operational. Further, out of these, 7 resorts in Finland and 1 resort in Sweden have a spa hotel attached.

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

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

Associate Companies

Guestline Hospitality Management & Developement Services Limited ('Guestline') is an associate of your Company pursuant to the provisions of the Act, as the Company is holding more than 20 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 is an associate of HCR and consequently associate of your Company.

Joint Venture Company

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

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

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

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

18. Directors

As on March 31, 2019, your Company had 8 Directors, which includes 5 Independent Directors, 2 Non-Executive Directors and 1 Managing Director.

As informed in the previous Annual Report, Mr. Vineet Nayyar, Non-Executive Director of the Company did not seek re-appointment at the 22nd Annual General Meeting held on

August 2, 2018 and consequently ceased to be a Director of the Company with effect from August 2, 2018. The Board places on record its sincere appreciation for the contributions made by Mr. Vineet Nayyar during his association with the Company.

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

Based on the recommendation of the Nomination and Remuneration Committee ("NRC") and subject to the approval of the Shareholders, the Board of Directors at their meeting held on May 15, 2019 have approved the re-appointment of Mr. Kavinder Singh as the Managing Director & CEO of the Company for a period of 5 (five) years with effect from November 3, 2019 to November 2, 2024 and has also approved remuneration payable to Mr. Kavinder Singh.

Further, NRC at its Meeting held on May 15, 2019 and vide circular resolution passed on June 22, 2019 on the basis of performance evaluation of Independent Directors and taking into account the external business environment, the business knowledge, acumen, experience and the substantial contribution made by Mr. Rohit Khattar, Mr. Sanjeev Aga, Mr. Sridar Iyengar and Mr. Cyrus Guzder during their tenure, has recommended to the Board that continued association of Mr. Rohit Khattar, Mr. Sanjeev Aga, Mr. Sridar Iyengar and Mr. Cyrus Guzder as Independent Directors of the Company would be beneficial to the Company.

Based on the above and the performance evaluation of Independent Directors, the Board at its meeting held on May 15, 2019 and vide circular resolution passed on June 24, 2019 has recommended:

- (a) Re-appointment of Mr. Rohit Khattar and Mr. Sanjeev Aga, as Independent Directors of the Company, not liable to retire by rotation, to hold office for a second term of five years each commencing from August 27, 2019 to August 26, 2024.
- (b) Re-appointment of Mr. Sridar Iyengar, as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term commencing from August 27, 2019 to July 31, 2022.
- (c) Re-appointment of Mr. Cyrus Guzder, as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term commencing from August 27, 2019 to July 31, 2020.

The Notice convening forthcoming Annual General Meeting ("AGM") includes the proposal for re-appointment of aforesaid Directors. A brief resume of the Directors seeking re-appointment at the forthcoming AGM and other details as required to be disclosed in terms of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General

Meetings (SS-2) forms part of the Corporate Governance Report and is also annexed to the Notice.

The Company has received notices in writing from the Shareholders of the Company under Section 160(1) of the Act proposing the candidature of Mr. Kavinder Singh, Mr. Rohit Khattar, Mr. Sanjeev Aga, Mr. Sridar Iyengar and Mr. Cyrus Guzder for the office of Director of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Act and SEBI Listing Regulations.

19. Key Managerial Personnel (KMPs)

During the year under review, Mr. Nirav Momaya, Deputy Company Secretary was appointed as an Interim Company Secretary and Compliance Officer of the Company on September 28, 2018. Further, the Board of Directors at their meeting held on October 29, 2018, pursuant to the recommendation of NRC, appointed Mr. Dhanraj Mulki as the General Counsel & Company Secretary as well as Compliance Officer and KMP of the Company with effect from the date of the meeting. Consequently, Mr. Nirav Momaya was re-designated as 'Deputy Company Secretary' of the Company with effect from the said date.

As on March 31, 2019, Mr. Kavinder Singh, Managing Director & CEO, Mrs. Akhila Balachandar, Chief Financial Officer and Mr. Dhanraj Mulki, General Counsel & Company Secretary, are the KMPs as per the provisions of the Act.

20. Policy on Directors' appointment and remuneration

The salient features of the following policies of the Company and changes therein made during the year are attached herewith and marked as Annexure IV:

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

The aforesaid policies (as amended) are also available at the link <http://www.clubmahindra.com/about-us/policies>

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

21. Board Evaluation

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

Corporate Governance Report, which forms a part of this Annual Report.

22. 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 Corporate Governance Report, which forms a part of this Annual Report.

23. 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, Mr. V S Parthasarathy and Ms. Radhika Shastry as its other members. Further details are provided in the Corporate Governance Report, which forms a part of this Annual Report.

24. 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, 2019, 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, 2019 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.

25. Internal Financial Controls and their Adequacy

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

Management Discussion and Analysis Report, which forms a part of this Annual Report.

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

26. Consolidated Financial Statements

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

For the purpose of preparation of the Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2019 as per Ind AS, the latest audited financial results of all the subsidiaries, one associate company and one Joint Venture company pertaining to HCR were considered and consolidation was done as per the provisions of Section 129 of the Act.

27. Risk Management

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

28. Disclosure requirements

- Pursuant to Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, details of transactions with persons or entities belonging to the promoter/promoter group which hold 10% or more shareholding in the Company, are furnished under Note No. 46 to the Standalone Financial Statements which sets out related party disclosure.
- The provisions in respect of maintenance of cost records as specified under sub-section (1) of Section 148 of the Act are not applicable to your Company.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.
- During the year under review, no revision was made in the previous financial statements of the Company.

29. 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.

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

The Auditors' Report on the financial statements of the Company for the year ending March 31, 2019 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, Practising Company Secretaries to undertake the secretarial audit of the Company. The Report of the Secretarial Auditor is annexed herewith as Annexure V.

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

30. 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.

31. 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.

32. 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, 2019 and the date of the Directors' Report.

33. Annual Return

As per the provisions of Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the extract of the Annual Return as of March 31, 2019, in the prescribed form MGT- 9 is annexed herewith as Annexure VI. The Annual Return of the Company has been placed on the website of the Company and can be accessed at <http://www.clubmahindra.com/about-us/investor-relations/financials>.

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

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

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

35. 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) Institute. These are discussed in detail in the Management Discussion and Analysis Report forming part of this Annual Report.

The Company has a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the aspects as contained under The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013 ("POSH Act"). The Company has also complied with

provisions relating to the constitution of Internal Complaints Committee under the POSH Act and the Committee includes external members from NGO and / or members with relevant experience. There was one complaint pending at the beginning of the year. During the year under review, the Company received four complaints under the Policy. All the complaints were disposed-off and appropriate actions were taken in all cases within the statutory timelines. Further, there were no complaints pending for more than 90 days during the year.

36. Particulars of Employees

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

The Company had 9 (Nine) employees who were employed throughout the year and were in receipt of remuneration more than ₹ 102 lakhs per annum. There was no employee employed for part of the year and in receipt of remuneration of more than ₹ 8.50 lakhs per month.

In terms of Section 136 of the Act, the copy of the Financial Statements of the Company, including the Consolidated Financial Statements, the Auditor's Report and relevant Annexures to the said Financial Statements and reports are being sent to the Members and other persons entitled thereto, excluding the information in respect of the said employees containing the particulars as specified in Rule 5(2) of the said Rules, 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 Company Secretary 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.

37. Acknowledgement and Appreciation

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

For and on behalf of the Board

Arun Nanda

Chairman

DIN: 00010029

Mumbai

June 24, 2019

ANNEXURE I TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2019

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 15, 2019

ANNEXURE II TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2019
Loans and Advances as per Regulation 34(3) read with Part A of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"):

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

Loans and advances in the nature of loans to subsidiary:

(₹ in lakhs)

Name of the Company	Balance as on March 31, 2019	Maximum outstanding during the year
Heritage Bird (M) Sdn Bhd., Malaysia	680	800
MH Boutique Hospitality Limited, Thailand	612	612
Arabian Dreams Hotel Apartments LLC, Dubai*	376	593
Gables Promoters Private Limited	1,600	1,600
MHR Holdings (Mauritius) Limited, Mauritius	194	194
Mahindra Hotels and Residences India Limited	6	6

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

For and on behalf of the Board

Mumbai
May 15, 2019

Arun Nanda
Chairman
DIN: 00010029

ANNEXURE III TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2019
Annual Report on Corporate Social Responsibilities (CSR) Activities
1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Your Company's Corporate Social Responsibility activities were undertaken through its own CSR team. Your Company drives its 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 and locations across India; (ii) partnerships with the Corporate Foundation namely: The K C Mahindra Education Trust which promotes girl child education through the Nanhi Kali program; and (iii) partnerships with other reputed Not for Profit Organizations having an established track record of at least 3 years in carrying on the specific CSR activity.

The 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". The Company's core CSR focus areas are:

- Education
- Vocational skills and livelihood
- Healthcare and Sanitation (including Swachh Bharat)
- Environmental Sustainability
- Rural Development
- Promoting gender equality, Women Empowerment & Senior Citizen Welfare
- Protection of National Heritage, Art, Culture

During the year under review, the Company has spent ₹ 411.60 lakhs on CSR activities.

The amount equal to 2% of the average net profit for the past three Financial Years is ₹ 410.00 lakhs.

The Company's CSR Policy is available on its website: <http://www.clubmahindra.com/about-us/policies>

2. The composition of the CSR Committee of the Board of Directors as on March 31, 2019:

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 : ₹ 20,240 lakhs.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : ₹ 410.00 lakhs

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year : ₹ 410.00 lakhs

(b) Amount unspent, if any : Nil

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

Sr. no.	CSR project of activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ in lakhs)	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overhead (₹ in lakhs)	Cumulative expenditure upto the reporting period (₹ in lakhs)	Amount spent: Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	NANHI KALI – Educational support (academic & material) provided to underprivileged girls in India.	Promotion of Education	Pan India	205.00	205.00	205.00	Through implementing agency - K.C. Mahindra Education Trust
2	GYANDEEP – providing support to a variety of NGOs to provide education, Infrastructure Improvement and renovation of school buildings.	Promoting Education	Mumbai, Lonavala, Palghar (Maharashtra), Manali & Shimla (Himachal Pradesh), Coorg (Karnataka), Manapet (Puducherry), Gir (Gujarat), Kanha (Madhya Pradesh)	44.10	44.65	44.65	Direct Implementation and through implementing agencies - TYCIA Foundation, The Fine Arts Society, The Rotary Club of Mumbai Lakers Charities Trust, Unnati Foundation, United Way of Mumbai
3	HUNNAR - Skill Development and career counselling for women & youth.	Promoting employment enhancement vocation skills and livelihood enhancement projects	Mussoorie (Uttarakhand)	12.90	12.90	12.90	Through implementing agency - SEWA Bharat
4	SEHAT – providing nutritional and healthcare support, safe drinking water and infrastructure development in hospitals.	Promoting Preventive Healthcare & Sanitation	Manali (Himachal Pradesh), Salcete (Goa), Maharashtra	12.90	12.94	12.94	Direct Implementation
5	DISASTER RELIEF – flood relief operations in Kerala & Kodagu.	Healthcare, Eradicating Hunger and Poverty	State of Kerala, Coorg (Karnataka)	21.87	21.87	21.87	Direct Implementation and through implementing agency - Chief Minister's Disaster Relief Fund

Sr. no.	CSR project of activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ in lakhs)	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overhead (₹ in lakhs)	Cumulative expenditure upto the reporting period (₹ in lakhs)	Amount spent: Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
6.	MEDICAL OUTREACH – Provided medical support.	Promoting Preventive Healthcare	Mumbai (Maharashtra)	22.50	22.50	22.50	Through implementing agency - Cancer Patients Aid Association
7	SURYODAYA – Village Electrification through solar street lighting	Ensuring Environmental Sustainability	Corbett (Uttarakhand), Kanha (Madhya Pradesh), Gir (Gujarat)	4.58	4.58	4.58	Direct implementation
8	MAHINDRA HARIYALI – Plantation of Trees.	Ensuring Environmental Sustainability	Pan India	0.62	0.62	0.62	Direct Implementation
9	SWACHH BHARAT – cleanliness drives.	Promoting Preventive Healthcare & Sanitation	Hyderabad (Telangana), Chennai (Tamil Nadu), Bhopal (Madhya Pradesh), Lucknow (Uttar Pradesh), Jaipur (Rajasthan), Kochi (Kerala), New Delhi	0.73	0.73	0.73	Direct Implementation
10	GRAM VIKAS – Sanitation, Hygiene and Infrastructure support in villages.	Rural Development	Raigad, Igatpuri, Aurangabad (Maharashtra), Coorg (Karnataka)	14.00	14.54	14.54	Direct Implementation and through implementing agencies - Swades Foundation, Habitat for Humanity India Trust, Rotary Club of Bombay North Charity Trust
11	SAMANTAR – infrastructure developmental support to old age homes and rehabilitation centre	Senior Citizen Care, Reducing Inequalities faced by socially/ economically backward groups	Kanha (Madhya Pradesh), Varca (Goa), Lonavala (Maharashtra)	9.00	9.16	9.16	Direct Implementation and through implementing agencies - Samarpan Foundation, Jeevan Dhara
12	GREEN GUARDIANS - cleanliness, hygiene and good sanitation practices, waste segregation and collection.	Ensuring Environmental Sustainability	Mumbai (Maharashtra), Ashtamudi (Kerala)	39.80	39.66	39.66	Direct implementation and through implementing agency - Centre for Social Change and Behavior Change Communication
13	MAHINDRA GUNSAR LOK SANGEET SANSTHAN - promote and revive the dying local art and culture of ethnic folk communities.	Protection of national heritage, art & culture	Jaisalmer (Rajasthan)	22.00	22.45	22.45	Through implementing agency - Gunsar Lok Sangeet Sansthan
	Grand Total			410.00	411.60	411.60	

6. Implementing agencies

The Company implements its CSR endeavours in partnership with government and non-governmental organisations that understands the need of the community. The Company engages with NGO partners across the areas it operates. Some of the NGOs are Centre for Social and Behaviour Change Communication, Habitat for Humanity India Trust, Cancer Patients Aid Association, Gunsar Lok Sangeet Sansthan, SEWA Bharat, Rotary Club of Bombay North Charity Trust, Swades Foundation, Samarpan Foundation, etc.

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

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

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

Kavinder Singh
Managing Director & CEO
DIN: 0699403

Arun Nanda
Chairman - Corporate Social Responsibility Committee
DIN: 00010029

Mumbai
May 15, 2019

ANNEXURE IV TO THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2019

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

Appointment of Director:

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

Appointment of Senior Management:

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

Amendment to the Policy:

During the year, in view of amendment to definition of Senior Management under SEBI Listing Regulations, the Board of Directors has amended the Policy by including the amended definition of Senior Management in the Policy. Further, in view of the amendment to the Companies Act, 2013, reporting requirement of appointment / removal one level below KMP to the Board was deleted from the said Policy.

B. SALIENT FEATURES OF POLICY FOR REMUNERATION OF THE DIRECTORS

1. Remuneration to Non-Executive including Independent Directors:

- NRC shall decide the basis for determining the compensation to Non-Executive Directors, whether as commission or otherwise and submit its recommendations to the Board. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution;
- In addition to the above, the Directors are entitled for sitting fees for attending Board / Committee meetings, reimbursement of expenses incurred in discharge of their duties, stock options (other than Independent Directors).

- A Non-Executive Non-Independent Director who receives remuneration from the holding company or any other group company is not paid any sitting fees or any remuneration.

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

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

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

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

- All employees, irrespective of contract, are to be remunerated fairly and the remuneration is to be

externally competitive and internally equitable. The remuneration is paid in accordance with the laid down Statutes.

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

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

For and on behalf of the Board

Arun Nanda

Chairman

DIN: 00010029

Mumbai

May 15, 2019

ANNEXURE V TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2019

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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, 2019, 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, 2019 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) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (e) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018; and
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies act and dealing with client.

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

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

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

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

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

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

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

with the provisions of the Act. Changes in the Key Managerial Personnel (Company Secretary) of the Company were duly made.

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. referred to above:

- (i) The Securities Allotment Committee vide its Resolutions by Circulation on May 25, 2018 and July 11, 2018 approved the allotment of 50,000 and 60,000 Equity Shares respectively to the Eligible Employee of the Company, who has exercised the Stock Options granted by the Company under MHRIL ESOS – 2014; and
- (ii) The members at their Annual General Meeting held on August 2, 2018, inter-alia, declared a final dividend of ₹ 4 per Equity share.

For **M Siroya and Company**
Company Secretaries

Mukesh Siroya

Proprietor

Date: May 15, 2019

FCS No.: 5682

Place: Gangtok

CP No.: 4157

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

Date: May 15, 2019

Place: Gangtok

ANNEXURE VI TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2019

Form No. MGT-9 EXTRACT OF ANNUAL RETURN as on the financial year ended March 31, 2019

[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, 2 nd Floor, 17/18 Patullos Road, Chennai – 600 002 T: +91 44 3988 1000 F: +91 44 3027 7778 E: investors@mahindaholidays.com W : www.clubmahindra.com
vi	Whether listed company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent	Karvy Fintech Private Limited (formerly 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 3321 1000 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	32.74
2	Annual Subscription Fee from VO members	55101	27.13
3	Income from sale of Food and Beverages	55101	13.89

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GIN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD*	APPLICABLE SECTION
1.	Mahindra & Mahindra Limited Gateway Building, Apollo Bunder, Mumbai – 400 001	L65990MH1945PLC004558	Holding	67.31	2(46)
2.	Gables Promoters Private Limited No. 504, Block A, 5 th 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, 1 st Floor, 17/18 Patullos Road, Chennai – 600 002	U55101TN2007PLC063285	Subsidiary	100	2(87)(ii)

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GIN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD*	APPLICABLE SECTION
4.	Heritage Bird (M) Sdn. Bhd. 802, 8 th 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, 23 rd Floor Surawongse Road, Suriyawongse District, Bangkok, Thailand	-	Subsidiary	49	2(87)(i)
6.	Infinity Hospitality Group Company Ltd® No. 20 Soi Sukhumvit 7 (Lerdsin 2), Sukhumvit Road, North Klongtoey, Wattana Bangkok, Thailand	-	Subsidiary	73.99	2(87)(ii)
7.	MHR Holdings (Mauritius) Ltd IFS Court, Twenty Eight Cyber City, Ebene - 72201, Mauritius	-	Subsidiary	100	2(87)(ii)
8.	Covington S.á.r.l. ^² 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	96.47	2(87)(ii)
11.	Holiday Club Sweden AB [§] Box 68, 83013 Åre, Sweden	-	Subsidiary	96.47	2(87)(ii)
12.	Ownership Service Sweden AB [^] c/o Holiday Club Sweden AB, Box 68, 83013 Åre, Sweden	-	Subsidiary	96.47	2(87)(ii)
13.	Holiday Club Canarias Investment S.L.U. [^] Avenida Ministra Anna Lindh no.1, Amadores, Mogan 35130, Canary Islands, Spain	-	Subsidiary	96.47	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	96.47	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	96.47	2(87)(ii)
16.	Passeport Sante SLU ⁺ Avenida Ministra Anna Lindh No. 1, Amadores, Mogan 35130, Canary Islands, Spain	-	Subsidiary	96.47	2(87)(ii)

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GIN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD*	APPLICABLE SECTION
17.	Holiday Club Resorts Rus LLC [§] Bolshaya Konushennaya str, 8. 191186 St-Petersburg, Russia	-	Subsidiary	96.47	2(87)(ii)
18.	Suomen Vapaa-aikakiinteistöt Oy [§] c/o Holiday Club Resorts Oy, Lapinniemenranta 12 33180 Tampere	-	Subsidiary	96.47	2(87)(ii)
19.	Kiinteistö Oy Himos Gardens [§] c/o Holiday Club Isännöinti PL 618, 33101 Tampere	-	Subsidiary	96.47	2(87)(ii)
20.	Kiinteistö Oy Vanha Ykköstii [§] Hitsaajankatu 22, 00810 Helsinki	-	Subsidiary	96.47	2(87)(ii)
21.	Kiinteistö Oy Katinnurkka [§] c/o Holiday Club Isännöinti PL 619, 33101 Tampere	-	Subsidiary	96.47	2(87)(ii)
22.	Kiinteistö Oy Tenetinlahti [§] c/o Holiday Club Isännöinti PL 618, 33101 Tampere	-	Subsidiary	96.47	2(87)(ii)
23.	Kiinteistö Oy Mällösniemi [§] c/o Holiday Club Resorts Oy Hitsaajankatu 22, 00810 Helsinki	-	Subsidiary	96.47	2(87)(ii)
24.	Kiinteistö Oy Rauhan Ranta 1 [§] c/o Holiday Club Resorts Oy Hitsaajankatu 22, 00810 Helsinki	-	Subsidiary	96.47	2(87)(ii)
25.	Kiinteistö Oy Rauhan Ranta 2 [§] c/o Holiday Club Resorts Oy Hitsaajankatu 22, 00810 Helsinki	-	Subsidiary	96.47	2(87)(ii)
26.	Kiinteistö Oy Tiurunniemi [§] c/o Holiday Club Isännöinti PL 618, 33101 Tampere	-	Subsidiary	96.47	2(87)(ii)
27.	Kiinteistö Oy Rauhan Liikekiinteistöt 1 [§] c/o Holiday Club Isännöinti PL 619, 33101 Tampere	-	Subsidiary	96.47	2(87)(ii)
28.	Supermarket Capri Oy [§] c/o Kauppakeskus Capri Oy Vipelentie 3-5, 55320 Rauha	-	Subsidiary	96.47	2(87)(ii)
29.	Kiinteistö Oy Kylpylätorni 1 [§] c/o Holiday Club Isännöinti PL 618, 33101 Tampere	-	Subsidiary	96.47	2(87)(ii)
30.	Kiinteistö Oy Spa Lofts 2 [§] c/o Holiday Club Isännöinti PL 619, 33101 Tampere	-	Subsidiary	96.47	2(87)(ii)

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GIN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD*	APPLICABLE SECTION
31.	Kiinteistö Oy Spa Lofts 3 ^s c/o Holiday Club Isännöinti PL 619, 33101 Tampere	-	Subsidiary	96.47	2(87)(ii)
32.	Kiinteistö Oy Kuusamon Pulkajärvi 1 ^s c/o Holiday Club Isännöinti PL 619, 33101 Tampere	-	Subsidiary	96.47	2(87)(ii)
33.	Holiday Club Sport and Spahotels AB [^] Box 68, 830 14 Åre, State Jamtlands Lan, Åre, Kummun	-	Subsidiary	49.20	2(87)(ii)
34.	Åre Villa 1 AB [^] c/o Holiday Club Sweden AB, Box 68, 830 14 Åre, Sweden	-	Subsidiary	96.47	2(87)(ii)
35.	Åre Villa 2 AB [^] c/o Holiday Club Sweden AB, Box 68, 830 14 Åre, Sweden	-	Subsidiary	96.47	2(87)(ii)
36.	Åre Villa 3 AB [^] c/o Holiday Club Sweden AB, Box 68, 830 14 Åre, Sweden	-	Subsidiary	96.47	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 & Developement Services Limited Saleh Centre Annexe, 1 st Floor, 18/4, Cunningham Road, Bangalore – 560 052	U55101KA1994PLC015472	Associate	49.94	2(6)
39.	Kiinteistö Oy Seniori-Saimaa [€] Villimiehenkatu 1, 53100 Lappeenranta	-	Associate	29.91	2(6)
40.	Tropiikin Rantasauna Oy [~] c/o Kuusamon kaupunki, Keskuskuja 6 93600 Kuusamo, Finland	-	Joint Venture	48.23	2(6)

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

@ a subsidiary of MH Boutique Hospitality Limited

> a subsidiary of MHR Holdings (Mauritius) Limited

a subsidiary of Covington S.à.r.l

\$ a subsidiary of Holiday Club Resorts Oy

^ a subsidiary of Holiday Club Sweden AB

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

€ an associate of Holiday Club Resorts Oy

~ a Joint venture of Holiday Club Resorts Oy

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

i) Category-wise Share Holding

Category Code	Category of shareholder	No. of shares held at the beginning of the year 01/04/2018				No. of shares held at the end of the year 31/03/2019				% change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(I)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	-	-	-	-	-	-	-	-	-
(b)	Central Government /State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	8,98,90,615	-	8,98,90,615	67.36	8,98,90,615	-	8,98,90,615	67.31	-0.05
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1) :	8,98,90,615	-	8,98,90,615	67.36	8,98,90,615	-	8,98,90,615	67.31	-0.05
(2)	FOREIGN									
(a)	Individuals (NRIs/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	-	-	-	-	-	-	-	-	-
	Total A=A(1)+A(2)	8,98,90,615	-	8,98,90,615	67.36	8,98,90,615	-	8,98,90,615	67.31	-0.05
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	1,69,33,527	-	1,69,33,527	12.69	1,72,44,167	-	1,72,44,167	12.91	0.22
(b)	Financial Institutions /Banks	34,046	-	34,046	0.03	1,50,450	-	1,50,450	0.11	0.08
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Portfolio Investors	94,62,881	-	94,62,881	7.09	74,59,606	-	74,59,606	5.59	-1.50
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Others	-	-	-	-	-	-	-	-	-
	Alternate Investment Funds	-	-	-	-	5,84,829	-	5,84,829	0.44	0.44
	Sub-Total B(1) :	2,64,30,454	-	2,64,30,454	19.81	2,54,39,052	-	2,54,39,052	19.05	-0.76

Category Code	Category of shareholder	No. of shares held at the beginning of the year 01/04/2018				No. of shares held at the end of the year 31/03/2019				% change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	19,91,207	-	19,91,207	1.49	19,83,065	-	19,83,065	1.48	-0.01
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 2 lakhs	68,37,160	19,578	68,56,738	5.14	75,52,957	13,763	75,66,720	5.67	0.53
	(ii) Individuals holding nominal share capital in excess of ₹ 2 lakhs	62,82,912	-	62,82,912	4.71	63,25,893	-	63,25,893	4.74	0.03
(c)	Others									
	Clearing Members	1,03,722	-	1,03,722	0.08	35,643	-	35,643	0.03	-0.05
	Non Resident Indians	6,72,370	-	6,72,370	0.50	10,41,650	-	10,41,650	0.78	0.28
	<u>Trusts</u>									
	1. Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust	6,84,290	-	6,84,290	0.51	6,54,040	-	6,54,040	0.49	-0.02
	2. Other Trusts	7,648	-	7,648	0.01	6,113	-	6,113	0.00	-0.01
	HUF	5,14,715	1	5,14,716	0.39	6,03,477	1	6,03,478	0.45	0.06
	NBFC	8,898	-	8,898	0.01	7,232	-	7,232	0.01	0.00
	IEPF	214	-	214	0.00	283	-	283	0.00	0.00
(d)	Qualified Foreign Investor	-	-	-	-					-
	Sub-Total B(2) :	1,71,03,136	1	1,71,22,715	12.83	1,82,10,353	13,764	1,82,24,117	13.65	0.82
	Total B=B(1)+B(2):	4,35,33,590	19,579	4,35,53,169	32.64	4,36,49,405	13,764	4,36,63,169	32.69	0.05
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(a)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(b)	Public	-	-	-	-	-	-	-	-	-
	Total C	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C):	1,33,424,205	19,579	13,34,43,784	100.00	13,35,40,020	13,764	13,35,53,784	100.00	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2018			Shareholding at the end of the year 31/03/2019			% Change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Mahindra & Mahindra Limited	8,98,90,615	67.36	0.00	8,98,90,615	67.31	0.00	-0.05
	TOTAL	8,98,90,615	67.36	0.00	8,98,90,615	67.31	0.00	-0.05

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

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

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

Sl. No.	Date	Reason for Increase / Decrease	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	01/04/2018	Opening Balance	HDFC TRUSTEE COMPANY LIMITED	71,93,250	5.39	71,93,250	5.39
	06/04/2018	Purchase		10,46,000	0.78	82,39,250	6.17
	13/04/2018	Purchase		2,32,100	0.17	84,71,350	6.35
	18/05/2018	Purchase		1,23,000	0.09	85,94,350	6.44
	25/05/2018	Purchase		12,00,000	0.90	97,94,350	7.34
	01/06/2018	Purchase		7,55,500	0.57	1,05,49,850	7.90
	08/06/2018	Transfer		55,55,600	4.16	1,61,05,450	12.06
	08/06/2018	Transfer		-55,55,600	-4.16	1,05,49,850	7.90
	22/06/2018	Purchase		1,00,000	0.07	1,06,49,850	7.98
	29/06/2018	Purchase		1,00,000	0.07	1,07,49,850	8.05
	11/01/2019	Purchase		1,43,738	0.11	1,08,93,588	8.16
	18/01/2019	Purchase		1,37,341	0.10	1,10,30,929	8.26
	08/03/2019	Purchase		15,000	0.01	1,10,45,929	8.27
	31/03/2019	Closing Balance				1,10,45,929	8.27

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
2	01/04/2018	Opening Balance	GOVERNMENT PENSION FUND GLOBAL	57,39,000	4.30	57,39,000	4.30
	27/04/2018	Sale		-4,000	0.00	57,35,000	4.30
	18/05/2018	Sale		-20,000	-0.01	57,15,000	4.28
	20/07/2018	Sale		-8,622	-0.01	57,06,378	4.27
	27/07/2018	Sale		-43,425	-0.03	56,62,953	4.24
	03/08/2018	Sale		-74,082	-0.06	55,88,871	4.18
	10/08/2018	Sale		-23,451	-0.02	55,65,420	4.17
	17/08/2018	Sale		-33,420	-0.03	55,32,000	4.14
	24/08/2018	Sale		-43,620	-0.03	54,88,380	4.11
	31/08/2018	Sale		-69,776	-0.05	54,18,604	4.06
	07/09/2018	Sale		-39,229	-0.03	53,79,375	4.03
	14/09/2018	Sale		-33,881	-0.03	53,45,494	4.00
	21/09/2018	Sale		-48,691	-0.04	52,96,803	3.97
	28/09/2018	Sale		-31,809	-0.02	52,64,994	3.94
	05/10/2018	Sale		-44,500	-0.03	52,20,494	3.91
	12/10/2018	Sale		-37,048	-0.03	51,83,446	3.88
	19/10/2018	Sale		-66,851	-0.05	51,16,595	3.83
	26/10/2018	Sale		-13,046	-0.01	51,03,549	3.82
	09/11/2018	Sale		-3,302	0.00	51,00,247	3.82
	16/11/2018	Sale		-22,588	-0.02	50,77,659	3.80
	23/11/2018	Sale		-15,304	-0.01	50,62,355	3.79
	30/11/2018	Sale		-42,089	-0.03	50,20,266	3.76
	07/12/2018	Sale		-34,494	-0.03	49,85,772	3.73
	14/12/2018	Sale		-52,175	-0.04	49,33,597	3.69
	21/12/2018	Sale		-66,598	-0.05	48,66,999	3.64
	28/12/2018	Sale		-5,810	0.00	48,61,189	3.64
	04/01/2019	Sale		-17,378	-0.01	48,43,811	3.63
	11/01/2019	Sale		-1,03,811	-0.08	47,40,000	3.55
	31/03/2019	Closing Balance				47,40,000	3.55
3	01/04/2018	Opening Balance	SBI MAGNUM GLOBAL FUND	35,57,309	2.67	35,57,309	2.67
	06/04/2018	Sale		-17,48,728	-1.31	18,08,581	1.36
	25/05/2018	Sale		-18,08,581	-1.36	-	-
	31/03/2019	Closing Balance				-	-
4	01/04/2018	Opening Balance	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MIDCAP	23,57,979	1.77	23,57,979	1.77
	03/08/2018	Sale		-50,000	-0.04	23,07,979	1.73
	10/08/2018	Sale		-9,743	-0.01	22,98,236	1.72
	09/11/2018	Sale		-238	0.00	22,97,998	1.72
	07/12/2018	Purchase		3,92,979	0.29	26,90,977	2.01
	14/12/2018	Purchase		1,40,000	0.10	28,30,977	2.12
	21/12/2018	Purchase		5,056	0.00	28,36,033	2.12
	28/12/2018	Purchase		14,20,000	1.06	42,56,033	3.19
	04/01/2019	Purchase		36,211	0.03	42,92,244	3.21
	18/01/2019	Purchase		50,000	0.04	43,42,244	3.25
	25/01/2019	Purchase		50,000	0.04	43,92,244	3.29
	01/02/2019	Purchase		60,713	0.05	44,52,957	3.33
	08/02/2019	Purchase		10,155	0.01	44,63,112	3.34
	15/03/2019	Purchase		1,21,440	0.09	45,84,552	3.43
	22/03/2019	Purchase		53,243	0.04	46,37,795	3.47
	29/03/2019	Purchase		7,253	0.01	46,45,048	3.48
	31/03/2019	Closing Balance				46,45,048	3.48

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
5	01/04/2018	Opening Balance	RELIANCE CAPITAL TRUSTEE CO LTD	10,52,309	0.01	10,52,309	0.79
	06/04/2018	Purchase		3,58,620	0.27	14,10,929	1.06
	19/10/2018	Purchase		10,000	0.00	14,20,929	1.06
	28/12/2018	Sale		-14,20,929	-1.06	-	0.00
	31/03/2019	Closing Balance				-	0.00
6	01/04/2018	Opening Balance	PARVEST EQUITY INDIA	10,42,868	0.78	10,42,868	0.78
	01/06/2018	Sale		-2,13,868	-0.16	8,29,000	0.62
	22/06/2018	Sale		-1,90,000	-0.14	6,39,000	0.48
	07/12/2018	Purchase		1,29,000	0.10	7,68,000	0.58
	21/12/2018	Purchase		40,000	0.03	8,08,000	0.60
	11/01/2019	Purchase		34,500	0.03	8,42,500	0.63
	29/03/2019	Purchase		11,510	0.01	8,54,010	0.64
	31/03/2019	Closing Balance				8,54,010	0.64
7	01/04/2018	Opening Balance	MIRAE ASSET EMERGING BLUECHIP FUND	9,19,914	0.69	9,19,914	0.69
	06/04/2018	Purchase		4,35,000	0.33	13,54,914	1.02
	27/04/2018	Purchase		30,000	0.02	13,84,914	1.04
	08/06/2018	Sale		-16,189	-0.01	13,68,725	1.03
	10/08/2018	Sale		-12,867	-0.01	13,55,858	1.02
	17/08/2018	Sale		-2,424	0.00	13,53,434	1.02
	21/09/2018	Sale		-50,000	-0.04	13,03,434	0.98
	05/10/2018	Sale		-19,783	-0.01	12,83,651	0.96
	12/10/2018	Sale		-1,43,992	-0.11	11,39,659	0.85
	19/10/2018	Sale		-1,28,203	-0.10	10,11,456	0.76
	07/12/2018	Sale		-5,09,500	-0.38	5,01,956	0.38
	14/12/2018	Sale		-2,16,046	-0.16	2,85,910	0.21
	21/12/2018	Sale		-1,48,567	-0.11	1,37,343	0.10
	28/12/2018	Sale		-1,21,039	-0.09	16,304	0.01
	31/12/2018	Sale		-16,304	-0.01	-	0.00
	31/03/2019	Closing Balance				-	0.00
8	01/04/2018	Opening Balance	PPFAS MUTUAL FUND - PARAG PARIKH LONG TERM EQUITY	8,56,421	0.64	8,56,421	0.64
	28/09/2018	Sale		-95,000	-0.07	7,61,421	0.57
	30/11/2018	Purchase		80,143	0.06	8,41,564	0.63
	07/12/2018	Purchase		86,520	0.06	9,28,084	0.69
	14/12/2018	Purchase		1,12,787	0.08	10,40,871	0.78
	21/12/2018	Purchase		31,618	0.02	10,72,489	0.80
	01/02/2019	Purchase		50	0.00	10,72,539	0.80
	08/02/2019	Purchase		9,371	0.01	10,81,910	0.81
	15/02/2019	Purchase		9,105	0.01	10,91,015	0.82
	22/02/2019	Purchase		10,000	0.01	11,01,015	0.82
	01/03/2019	Purchase		2,649	0.00	11,03,664	0.83
	31/03/2019	Closing Balance				11,03,664	0.83

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
9	01/04/2018	Opening Balance	BNP PARIBAS EQUITY FUND	7,86,143	0.59	7,86,143	0.59
	06/04/2018	Sale		-1,78,832	-0.13	6,07,311	0.46
	13/04/2018	Sale		-2,41,200	-0.18	3,66,111	0.27
	27/04/2018	Sale		-26,125	-0.02	3,39,986	0.25
	04/05/2018	Sale		-14,986	-0.01	3,25,000	0.24
	11/05/2018	Sale		-90,000	-0.07	2,35,000	0.18
	25/05/2018	Sale		-65,000	-0.05	1,70,000	0.13
	16/11/2018	Purchase		40,000	0.03	2,10,000	0.16
	28/12/2018	Purchase		60,000	0.04	2,70,000	0.20
	15/03/2019	Purchase		1,06,452	0.08	3,76,452	0.28
	22/03/2019	Purchase		33,000	0.02	4,09,452	0.31
	29/03/2019	Purchase		40,048	0.03	4,49,500	0.34
	30/03/2019	Closing Balance				4,49,500	0.34
10	01/04/2018	Opening Balance	MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED EMPLOYEES' STOCK OPTION TRUST	6,84,290	0.51	6,84,290	0.51
	15/06/2018	Sale		-10,000	0.00	6,74,290	0.51
	06/07/2018	Sale		-20,250	-0.02	6,54,040	0.49
	31/03/2019	Closing Balance				6,54,040	0.49
11	01/04/2018	Opening Balance	EMERGING MARKETS CORE EQUITY PORTFOLIO	3,90,554	0.29	3,90,554	0.29
	04/05/2018	Purchase		3,372	0.00	3,93,926	0.30
	11/05/2018	Purchase		5,952	0.00	3,99,878	0.30
	18/05/2018	Purchase		21,974	0.02	4,21,852	0.32
	25/05/2018	Purchase		16,112	0.01	4,37,964	0.33
	01/06/2018	Purchase		5,019	0.00	4,42,983	0.33
	15/06/2018	Purchase		7,582	0.01	4,50,565	0.34
	22/06/2018	Purchase		11,145	0.01	4,61,710	0.35
	13/07/2018	Purchase		4,982	0.00	4,66,692	0.35
	03/08/2018	Purchase		8,039	0.01	4,74,731	0.36
	10/08/2018	Purchase		3,110	0.00	4,77,841	0.36
	17/08/2018	Purchase		3,120	0.00	4,80,961	0.36
	24/08/2018	Purchase		7,625	0.01	4,88,586	0.37
	12/10/2018	Purchase		4,701	0.00	4,93,287	0.37
	15/02/2019	Purchase		7,990	0.01	5,01,277	0.38
	31/03/2019	Closing Balance				5,01,277	0.38
12	01/04/2018	Opening Balance	KALA HIRALAL DOSHI	4,75,000	0.36	4,75,000	0.36
	31/03/2019	Closing Balance				4,75,000	0.36
13	01/04/2018	Opening Balance	SUNDARAM INDIA MIDCAP FUND	3,43,635	0.26	3,43,635	0.26
	18/01/2019	Purchase		38,200	0.03	3,81,835	0.29
	01/02/2019	Purchase		23,859	0.02	4,05,694	0.30
	15/03/2019	Purchase		25,300	0.02	4,30,994	0.32
	31/03/2019	Closing Balance				4,30,994	0.32

(vi) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Date	Reason for Increase / Decrease	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1.	01/04/2018	Opening Balance	Arun Nanda	12,66,945	0.95	12,66,945	0.95
	31/03/2019	Closing Balance				12,66,945	0.95
2.	01/04/2018	Opening Balance	Cyrus Guzder	40,050	0.03	40,050	0.03
	31/03/2019	Closing Balance				40,050	0.03
3.	01/04/2018	Opening Balance	Rohit Khattar	40,050	0.03	40,050	0.03
	31/03/2019	Closing Balance				40,050	0.03
4.	01/04/2018	Opening Balance	Sridar Iyengar	10,313	0.01	10,313	0.01
	31/03/2019	Closing Balance				10,313	0.01

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01/04/2018				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
• Addition				
• Reduction				
Net Change				
Indebtedness at the end of the financial year 31/03/2019				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Kavinder Singh (Managing Director & CEO)	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	394.45	394.45
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21.83	21.83
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-
2.	Stock Option related perquisites	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify	-	-
5.	Others, please specify	-	-
	Total (A)	416.28	416.28
	Ceiling as per the Act	₹ 529.10 lakhs (being 5% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)	

Note: Mr. S Krishnan ceased to be Executive Director of the Company w.e.f. January 21, 2018. During the financial year 2018-19, Mr. S Krishnan was paid the performance pay amounting to ₹ 38.18 lakhs pertaining to financial year 2017-18. Further, Mr. Krishnan had exercised his ESOPs entitlements and earned perquisites amounting to ₹ 161.65 lakhs.

B. Remuneration to other directors:

(₹ in lakhs)

Particulars of Remuneration	Name of Directors							Total Amount
	Arun Nanda	Cyrus Guzder	Rohit Khattar	Sanjeev Aga	Sridar Iyengar	Radhika Shastry	V S Parthasarathy	
Independent Directors								
• Fees for attending board / committee meetings	-	10.20	6.10	6.20	6.10	5.30	-	33.90
• Commission*	-	13.50	12.00	12.00	13.50	12.00	-	63.00
• Others, please specify	-	-	-	-	-	-	-	-
Total (1)	-	23.70	18.10	18.20	19.60	17.30	-	96.90
Other Non-Executive Directors								
• Fees for attending board / committee meetings	9.60	-	-	-	-	-	-	9.60
• Commission*	42.00	-	-	-	-	-	-	42.00
• Others, please specify	-	-	-	-	-	-	-	-
Total (2)	51.60	-	-	-	-	-	-	51.60
Total (B)=(1+2)	51.60	23.70	18.10	18.20	19.60	17.30	-	148.50
Total Managerial Remuneration (A+B)								564.78
Overall Ceiling as per the Act (A+B)	₹ 634.92 lakhs (being 6% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)							

*The Commission for the financial year ended March 31, 2019 will be paid to the Non-Executive Directors, subject to deduction of tax, after adoption of financial statements by the Members at the Annual General Meeting to be held on July 31, 2019.

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary		CFO	Total
		Nirav Momaya [^]	Dhanraj Mulki [*]	Akhila Balachandar	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.53	24.90	119.76	146.19
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.19	0.44	0.63
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option related perquisites	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit -others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	TOTAL	1.53	25.09	120.20	146.82

[^] Appointed as Interim Company Secretary w.e.f. September 28, 2018 and ceased to be the Interim Company Secretary w.e.f. October 29, 2018

^{*} Appointed as the Company Secretary w.e.f. October 29, 2018

Note: Mr. Dinesh Shetty ceased to be General Counsel & Company Secretary of the Company w.e.f. March 31, 2018. During the financial year 2018-19, Mr. Dinesh Shetty was paid the performance pay amounting to ₹ 25.70 lakhs pertaining to financial year 2017-18. Further, Mr. Dinesh Shetty had exercised his ESOPs entitlements and earned perquisites amounting to ₹ 11.67 lakhs.

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 15, 2019

ANNEXURE VII TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2019

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.
- Internet of Technologies based real time monitoring energy management system for energy management
- Energy Audits by third party consultants
- Replacement of old split/window air conditioners' with inverter based air conditioners.

- (ii) The steps taken by the Company for utilizing alternate sources of energy: Installation of Bio gas plant and solar power generation plants and use of Electric vehicles in resorts

- (iii) The capital investment on energy conservation equipment: ₹ 400 lakhs.

B) Technology absorption:

- i. The efforts made towards technology absorption: Not Applicable

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

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

- a) The details of technology imported;
- b) The year of import;
- c) Whether the technology been fully absorbed;
- d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof; and

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

(C) Foreign Exchange earnings and outgo:

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

(₹ in lakhs)

Total Foreign Exchange Earnings & Outgo	For the financial year ended March 31, 2019	For the financial year ended March 31, 2018
Foreign Exchange Earnings	427	320
Foreign Exchange Outgo (including remittance of Dividend)	5,404	4,160

For and on behalf of the Board

Arun Nanda

Chairman

DIN: 00010029

Mumbai

May 15, 2019

ANNEXURE VIII TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2019

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

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

Name of the Directors	Ratio to median remuneration
Non-Executive Directors*	
Mr. Arun Nanda	20:1
Mr. Cyrus Guzder	9:1
Mr. Sridar Iyengar	7:1
Mr. Sanjeev Aga	7:1
Mr. Rohit Khattar	7:1
Ms. Radhika Shastri	7:1
Mr. V S Parthasarathy	-
Mr. Vineet Nayyar [#]	-
Executive Directors	
Mr. Kavinder Singh	156:1

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

[#] Ceased to be a Director w.e.f. August 2, 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	-52.7%
Mr. Cyrus Guzder	3.0%
Mr. Sridar Iyengar	-15.2%
Mr. Sanjeev Aga	-7.6%
Mr. Rohit Khattar	-1.1%
Ms. Radhika Shastri	-11.3%
Mr. V S Parthasarathy	N.A.
Mr. Vineet Nayyar [#]	-
Mr. Kavinder Singh, Managing Director & CEO	10.0%
Mrs. Akhila Balachandar, Chief Financial Officer	7.5%
Mr. Dhanraj Mulki, General Counsel & Company Secretary*	N.A.

[#] Ceased to be a Director w.e.f. August 2, 2018

* Appointed as Company Secretary from October 29, 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

9.3%. 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: 5,439

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 2018-19 was around 8.64%, while the average increase in the remuneration of the Key Managerial Personnel was around 9.42%. 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

Mumbai
May 15, 2019

Arun Nanda
Chairman
DIN: 00010029

Management Discussion and Analysis

Mahindra Holidays & Resorts India Limited ('Mahindra Holidays', 'MHRIL' or 'the Company') is a leading player in the leisure hospitality industry in India. Founded in 1996, it has established vacation ownership business in India and is the market leader in the business — with over 2.43 lakhs members and 61 resorts. Together with its Finnish subsidiary, Holiday Club Resorts (HCR), Mahindra Holidays has over 3 lakhs members and a bouquet of 94 resorts in Asia and Europe, making it the largest vacation ownership company outside the USA and among the Top 7 vacation ownership companies in the world, in terms of member base.

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

This Management Discussion and Analysis (MDA) Report presents an overview of the operational and financial performance of the Company. It also discusses the macroeconomic environment and opportunities, Mahindra Holidays' strategy and important initiatives taken by it during the year. We begin with highlights of the Company's performance in 2018-19 (Box 1).

Box 1: MHRIL's Performance in 2018-19 — Key Highlights

- Mahindra Holidays added 18,377 members to its vacation ownership business in 2018-19 — taking the cumulative membership base to over 2.43 lakhs at the end of 2018-19. This represents a compounded annual growth rate ('CAGR') of 7.4% in membership over the last five years.
- The Company added 6 resorts during the year — taking the total room inventory to 3,595 units across its 61 resorts. Additions happened at several tourist destinations — Hampi, Diu, Darjeeling, Kalimpong, Namchi and at a golf resort near Ahmedabad. In addition, international presence was also expanded with tie-ups and inventory arrangements in the USA, Sri Lanka and Bhutan.
- Technology and digitisation initiatives continue to improve operational efficiencies and build a future-ready organisation. During the year, Mahindra Holidays launched Artificial Intelligence-based chatbots and a one-of-its-kind resort recommendation engine. It implemented analytical models for scoring prospect leads, improving conversion and increasing retention. Mobile App, which was launched a year ago has gained wide acceptance amongst the members.

- During 2018-19, both customer-as-promoter and post-holiday feedback scores, which measure satisfaction for member transactions and holiday experience at resorts respectively, were at an all-time high. Despite the impact of floods in Kerala and Coorg and untimely rains which affected as much as 30% of the Company's inventory for 2-3 months, the Company achieved an occupancy rate of 83%.
- Focus on building an 'experience ecosystem' — an unparalleled choice of experiences, destinations and itineraries — for its members continued during 2018-19. The Company launched 'Club M Select', expanded exchange programme and increased coverage of 'Dreamscapes', in city experiences. Member engagement through 'Heart-to-Heart' events also increased significantly.
- Enhancing 'Members life time value' — deep engagement with members and understanding their changing needs and lifestyle has helped in offering upgrades, new food & beverage (F&B) experiences and holiday activities, thus enhancing 'Members life time value'. Important initiatives in 2018-19 included effective consumer segmentation, online processing and payment for upgrades, predicting payment lapses and better receivables management, online sales for curated holiday activities and dining options. Both upgrades and resort income increased during the year.

Macroeconomic Environment and Opportunities

The world economy, after a robust growth in the last couple of years, saw a broad based deceleration in 2018, affecting economies that account for as much as 70% of the world output. According to the International Monetary Fund (IMF), global economic growth, which peaked at close to 3.8% in 2017, came down to 3.6% in 2018 and is expected to decline further to 3.3% in 2019.

India's economic growth also decelerated somewhat in 2018-19 — with GDP growing at 7% in 2018-19, compared to 7.2% in the previous year. But, the growth outlook for 2019-20 is positive. The Reserve Bank of India (RBI), in its monetary policy statement released in April 2019, expects GDP growth to return to 7.2% in 2019-20. Equally, even as there are risks around global oil prices, inflation is expected to remain range-bound, which should sustain the current neutral monetary policy stance of the RBI. With no hikes in interest rates on

the cards and a resilient demand, consumer confidence and discretionary spends are likely to improve in 2019-20. These augurs well for the travel and tourism industry.

The size of Indian travel and tourism industry is currently estimated at around USD 247 billion and is expected to grow at 7% annually till 2028. The key trends include explosive growth in outbound travel, particularly from Tier II cities; rise in weekend travel – short trips as a segment; high propensity to spend on in-trip experiences; and increase in average travel budget.

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 sale of cars.

Strategic Priorities

Mahindra Holidays believes that there is a significant potential for further growth of the business. Considering the competitive landscape, key trends in the leisure travel and shifts in media consumption landscape, the Company has identified three key strategic priorities to differentiate itself in the market and benefit from the opportunities. These are given below:

Building an 'Experience Ecosystem'

While providing immersive holiday experiences continues to be at the core of the 'Club Mahindra' offering, the strategy is to significantly upgrade the 'Club' value proposition of the brand by building a complete experience ecosystem, offering unparalleled choice of experiences, destinations and itineraries. The central idea is to differentiate itself by offering unique benefits and privileges and engage with its members beyond the 7-day holiday period in a year. Significant progress was made towards building the 'experience ecosystem' during 2018-19. Key initiatives are given in Box 2.

Box 2: The Club Mahindra 'Experience Ecosystem'

- **Choice of Resorts:** Club Mahindra added six resorts during the year and the resort count is now 61. Members have access to 94 resorts (33 additional resorts through its Finnish Subsidiary) in India, Asia and Europe. USA, Sri Lanka and Bhutan were also added to the destinations through tie-ups and inventory arrangements.

- **'Club M Select'** is an exclusive subscription programme launched in 2018-19. It allows enrolled members access to several luxury lifestyle offerings such as gourmet dining, international cruises, yachts and over 4 lakhs hotels; and over 60,000 international excursions – all at very attractive rates. It has a dedicated helpdesk and is fully integrated with the Company's website for seamless bookings and payments.
- **'Dreamscapes'** is an online platform that offers a wide variety of in-city experiences curated for members with preferential rates and end-to-end support for instant booking and payments. In 2018-19, 'Dreamscapes' was extended to 'Bliss' and 'GoZest' members.
- **Festivals and theme-based vacation** experiences (e.g. Kumbh Mela, Statue of Unity and Rann Utsav) for members at very attractive prices.
- **Exchange programme** to expand the set of destinations. Members can exchange their Club Mahindra room nights for stays in top-rated hotel chains and cruise experiences. In 2018-19, the coverage increased to over 75 hotels in more than 50 locations in India and abroad.
- **Heart-to-Heart events** are in-city member meets organised by the Company which include leisure and edutainment activities for member families. During the year, coverage of these events was expanded to Tier 2 and Tier 3 cities. Over 18,000 members and their families participated in these events in 2018-19. This has helped Mahindra Holidays get referrals from its members.

Enhancing 'Members Life Time Value'

Investment in digitisation and advanced analytics has helped to enhance the 'Members Life Time Value' by driving upgrades and referrals, increasing member engagement and spends at resorts. Important initiatives are given in Box 3.

Box 3: Enhancing 'Members Life Time Value' Through Digitisation and Analytics

- **First machine learning based algorithm** introduced in the industry in the form of a **resort recommendation engine** to significantly improve booking experience for the members. Based on the member profile and past booking preferences (if available), system offers personalised resort recommendations for the members that are available over next 15, 30 and 60 days. This also ensures constant availability for the members, meeting their travel expectations.
- Implemented **Member Segmentation Model** based on 'Members Life Time Value' and **Affinity Models** to drive upgrades and referrals.

- Automation and **online payments** for identifying and processing **membership upgrades** through payment links that are sent once a member confirms.
- Online **advance purchase options** — F&B, spa and holiday activities as well as local travel — at the time of booking and a **payments gateway infrastructure** to seamlessly close the transaction.
- Advanced analytical models to proactively **identify cases with higher propensity of non-payment** of instalments and annual service fees for improved receivables management.

In 2018-19, both upgrades and referrals performance increased significantly. Resort income increased from ₹ 209 crore in 2017-18 to ₹ 220 crore in 2018-19, this is creditable considering the loss in occupancy during Kerala and Coorg floods and unseasonal rains.

Focus on 'Digital-Mobile-Social'

The key thrust for marketing and brand building activities has been to bring alive the 'Club Mahindra' experience and generate a pull for the brand by making it more aspirational and exciting. Since a bulk of media consumption today happens on mobile devices and social media, another strategic priority for the Company has been to reinvent its marketing strategy around digital formats and platforms. Some of the key initiatives and achievements in 2018-19 are presented in Box 4.

Box 4: Reinventing Marketing — Key Initiatives

- Video Content:** Build aspiration around the brand with **engaging videos** to showcase resort properties, highlighting **unique 'Only at Club Mahindra' experiences** like staying in an igloo or showcasing the unique dining concepts. The Company also invested in **regional language content** to establish better connect.
- Social Media:** Engage consumers through social media channels by showcasing resorts, building user generated content and creating innovative contests. Mahindra Holidays has around **1.8 million followers on Facebook** and is seeing a significant increase in engagement across other platforms. **Online positive sentiment increased significantly in 2018-19.**
- Brand Campaign:** To create brand affinity and enhance interest in MHRIL's resorts and offerings. Brand TV commercial showcasing the resorts and experiences **"Where are you going this summer"** was run across leading TV channels and generated 10 million views on digital. The **"Win a trip to NASA" contest** addressing kids drew huge interest and entries aiding sales. Another successful campaign was done to engage families under the **#MakeTimeFamilyTime** platform on the World Family Day on May 15, 2018.

- Resort Campaign:** To engage members at the resorts with specially curated activities and events like **'Jungle Diaries', 'Tea Trails', 'Coffee Trails' and 'Forever Beautiful, Forever Kerala'**. These campaigns helped create unique and memorable experiences for the members.

In recognition of its efforts, Mahindra Holidays won 'The Times Network – Institute for Competitiveness Strategy Award 2018' for creating a unique positioning in the Tourism & Hospitality industry. This is the second consecutive year the Company has received this honour.

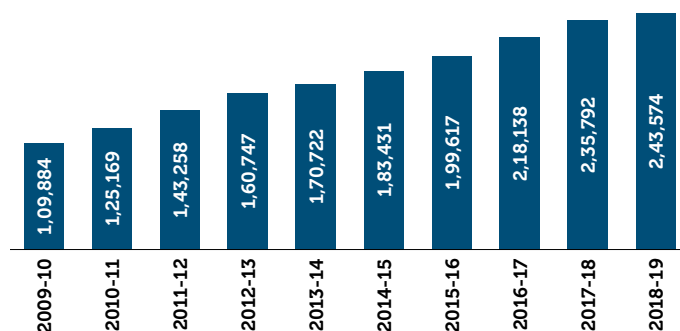
Business Performance

Membership

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

During 2018-19, the Company added 18,377 members. After accounting for one-off cancellation of 9,556 members having overdue membership instalments and retirement of 1,039 members, the total membership grew to 2,43,574 as on March 31, 2019 — representing a CAGR of 7.4 percent in cumulative membership over the last five years. 'Bliss', the Company's new product, also performed creditably. Chart A provides data on the cumulative membership for the last 10 years.

Chart A: Cumulative Vacation Ownership Membership



Note: Membership includes all vacation ownership products of the Company, figure for 2018-19 is net of one-off cancellation of 9,556 overdue members and retirement of 1,039 members.

This performance is a result of concerted efforts on several fronts:

- First, continued success of Company's pull-based digital and referral leads, which accounted for 44% of sales in 2018-19. This was reinforced with positive results from efforts at tapping high-quality leads through alliances and corporate partnerships.

- Second, successful expansion of its geographic reach to high-potential Tier 2 and Tier 3 cities. At the end of 2018-19, Mahindra Holidays was present in 124 locations in India through a network of branch offices, sales offices and channel partners.
- Third, international performance remained strong, with a further strengthening of its footprint. In 2018-19, the Company expanded its presence to 8 countries.

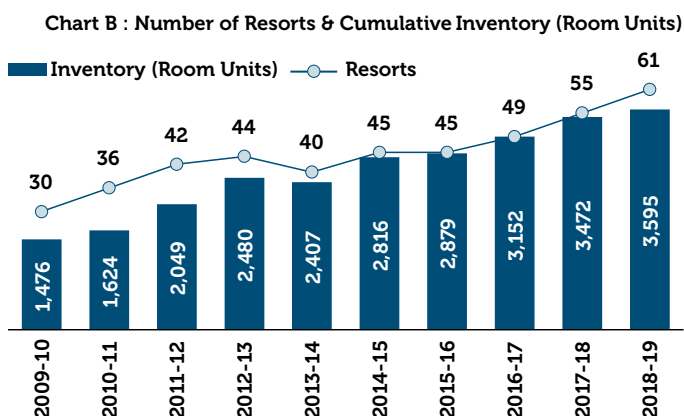
The Company also markets a corporate product called '**Club Mahindra Fundays**', which allows enrolled organisations to offer holiday entitlements to its employees either as a part of their reward and recognition program or as an employment perquisite. During the year, this product performed satisfactorily,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

Towards the end of 2018-19, the Company introduced '**GoZest**' – a three-year, points-based product aimed at millennial travellers. It is an experiential product designed to give the 'Club Mahindra' experience to the young target group and generate interest for the core offering.

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 Resorts - 33 resorts in Finland, Sweden and Spain (Gran Canaria).

During the year, Mahindra Holidays added 6 new resorts – taking the total inventory to 3,595 units across 61 resorts by the end of 2018-19. This includes destinations such as Hampi, Diu, Darjeeling, Kalimpong, Namchi and a golf resort near Ahmedabad. In addition, international presence was also expanded with tie-ups and inventory arrangements in the USA (Orlando), Sri Lanka and Bhutan. Chart B provides information on growth of number of resorts and room inventory in the last 10 years.



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

Increasing room inventory in line with membership additions continues to be a key focus area. **The Company is currently undertaking two projects: a greenfield project at Assanora (Goa) and an expansion project at Ashtamudi (Kerala). These are being implemented in phases, which will eventually add close to 300 units. With completion of the phases that are in advanced stages of construction, 200 units are expected to be added in 2019-20.** In addition, a 140 unit expansion project at Kandaghat (Himachal Pradesh) is in planning and approvals stage.

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

Resort Operations

Efficient resort operations and thoughtfully designed, engaging resort amenities are central to delivering immersive holiday experiences. This encompasses three key areas: infrastructure and facilities, holiday activities and F&B. During 2018-19, focus continued to be on improvements and innovation across all these three fronts.

In 2018-19, the Company also made significant investments in upgrading rooms and renovation of public areas and amenities across several resorts. 'Host' and 'Champs' programme, which have been instrumental in enhancing member engagement at resorts and delivering quality holiday experiences, were expanded further during the year and now cover all resorts managed by it.

- In the '**Host**' programme, the Host serves as 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. The number of Hosts increased from 330 in 2017-18 to 542 in 2018-19.
- 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. Efforts were made to train and incentivise Champs to enhance the scope and quality of entertainment offered by them. The number of Champs increased from 78 in 2017-18 to 155 in 2018-19.

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

Box 5: Resort Awards and Recognitions

Mahindra Holidays has the unique distinction of having 31 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. It won 'Most Popular Resort Chain' award by Times Travel Awards in 2018-19. The resort in Binsar was awarded 'Best Resort in Kumaon Region' by Uttarakhand Tourism. Emerald Palms, Goa, won three awards: (i) Top 20 F&B Manager's Award – Managerial Skills, (ii) Top 30 Chef's Award – Outstanding Culinary Skills and (iii) India's Best General Manager – Top Choice Award at the India hospitality + F&B Pro Expo 2018. 17 resorts received Trip Advisor Certificate of Excellence in 2018-19.

In F&B, efforts are continuously undertaken to make the dining experience more exciting and fulfilling. During the year, the Company launched its successful restaurant BBQ Bay in two resorts – Emerald Palms, Goa and Kandaghat, Himachal Pradesh. It also introduced theme dinner events in all resorts (e.g. Ocean Theme and Maharaja Maharani Theme). Its 'All Inclusive' F&B plan – a bundled value-for-money offering with a choice of different dining options – continues to gain wide acceptance amongst members.

Box 6: F&B Awards and Certifications

Mahindra Holidays was awarded the 'Health Brand of the Year – Food Category' at the Indian Health and Wellness Summit and Awards 2018. During the year, 11 resorts were certified under ISO 22000, which is an international accreditation, recognising enhanced food hygiene and safety. 22 of the Company's resorts have obtained FSSAI Hygiene Certificate. 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. During the year, the coverage of feedback was increased to include new services and amenities such as the Host programme and Spa facilities. PHF scores have shown consistent improvement since the inception of the programme.

Member Experience

Mahindra Holidays' journey towards excellence in member services targets minimising refusals – getting members to

holiday according to their choice – and ensuring high levels of satisfaction in all its interactions to maximise retention, referrals and revenues. This is sought to be achieved by being more responsive to member needs as well as delivering faster solutions through continuous process improvements aided by appropriate technological interventions.

Several initiatives were carried out in 2018-19 to improve member experience at the Company's online assets – both its website and mobile app for members – which contribute to over 86% of the bookings. In an important initiative to minimise refusals, Mahindra Holidays implemented a 'resort recommendation engine', which provides members details of available resorts based on their preferences. ***Adoption of the mobile app increased from 1.1 lakhs unique members in 2017-18 to 1.3 lakhs unique members in 2018-19. It is currently the highest contributor of digital bookings, digital EMI collections and has the highest customer-as-promoter score amongst all consumer touch-points.***

The Company also introduced 'Holiday Experts' for end-to-end onboarding experience of new members – including proactively assisting them in booking their first holiday. ***As a result, unique member holidays increased by 7.3% in 2018-19. Despite an increase in inventory and impact of floods and untimely rains which affected as much as 30% of the Company's inventory for 2-3 months, the Company achieved an occupancy rate of 83% in 2018-19.***

Other initiatives include introduction of chatbots, RCI's integration with member website, quick links for payments, self-servicing workflows on website and Interactive Voice Response (IVR), emergency helpdesk for odd-hour support and upgraded empowerment matrix at contact centre to improve first time resolution. These have considerably enhanced ease of servicing, contributing to higher member satisfaction.

During 2018-19, the Company unified its customer feedback management. There has been a steady increase in the loyalty scores based on feedback received through both internal feedback generation mechanisms as well as external surveys. ***Transactional customer-as-promoter score (CAPS) increased to 66% in 2018-19, which is 2% higher than the previous year. In recognition of its efforts, Mahindra Holidays was awarded ASQ, South Asia Award for Member Loyalty Improvement.***

Business Excellence

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

Promoting a culture of continuous improvement by institutionalising 'Kaizens' as a way of life has been at the

centre of the Company's efforts towards business excellence. **The number of Kaizen projects have increased significantly – from 18,000 in 2017-18 to over 35,800 in 2018-19 – 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.

The Company has also implemented CAPA (Corrective Actions & Preventive Actions) methodology to identify problems by monitoring daily work to arrive at sustainable solutions. Considerable progress was made on this front during 2018-19 with around 725 documented corrections, which resulted in significant reduction in number of customer complaints across functions.

Human Resources (HR)

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

Mahindra Holidays has always focused on building capabilities and skills through targeted learning and development (L&D) interventions. While acquiring talent to meet the needs of its growing business, equal emphasis is also given on developing talent from within the organisation. **During 2018-19, the Company further strengthened its flagship Club Mahindra Executive Training (CMET) Program for resort operations – an intensive 18 months program to build the internal talent pipeline for senior managerial positions at resorts. Buoyed by its success, the Company launched the CMET – Sales programme during the year to groom people for managerial positions in customer acquisition.**

In 2018-19, the Company instituted SEWA ("Service with Empathy, Warmth and Attentiveness") – a cultural transformation initiative to make MHRIL a model service organisation – under which it conducted company-wide awareness and training workshops across its resorts, branches and corporate offices. **Training hours increased in absolute terms as well as on a per employee basis, even with an increased employee base. At an overall level, each employee received an average of 11.3 man days of training in 2018-19.**

In customer acquisition, the Company expanded its modules that provide knowledge in small capsules that are easier to learn: 'Customized Sales Pitch', '10 reasons Why Club Mahindra', 'New Product Training – Club M Select, Dreamscapes, Bliss'. Over 630 sales executives were covered under these interventions. For frontline sales executives, it revamped the 'Sales Centre of Excellence' program. In acquisition marketing, new SOPs were piloted to facilitate generation of high quality leads and intensive training programmes were carried out to improve

lead to sales conversions. **In recognition of these efforts in sales training, the Company won the "TISS LeapVault CLO Gold Award – Program for Sales Enablement" and "TISS LeapVault CLO Silver Award – L&D Team of the Year" in 2018-19.**

In resort operations, the Company has training and certification programs for all key functions: F&B, food preparation, front office and housekeeping. Considerable progress was also made on the skilling for the 'Host' and 'Champs' programmes, with over 250 employees identified and trained in 2018-19. During the year, the Company also launched 'i-Grow Plus' – a one-year fast track skill building programme for grooming executive talent after its success in 'i-Grow' programme launched for grooming supervisory talent in the previous financial year. **The Company also signed an MOU with "Tourism & Hospitality Skill Council", established as per the guidelines framed by the National Skill Development Council (NSDC) for the Tourism and Hospitality sector in India. Under this initiative the Company aims at assessing hospitality staff who have acquired skills informally and then recognise them with formal certification and help them access future opportunities in the formal ecosystem.**

On the corporate and organisational development front, the Company regularly nominates executives to participate in development programs and workshops. During the year 120 managers participated in the 'Mahindra Reflective Conversations' workshop in line with the vision of making Mahindra Holidays a reflective organisation and bring in a cultural transformation to drive higher engagement, better connect with stakeholders and breakthrough innovation.

In recognition of its efforts, Mahindra Holidays was awarded "HR Excellence Award 2018-19" by Confederation of Indian Industry (CII). As a customer centric organisation, maintaining high employee engagement levels has been a top priority for the Company. During the year, both MCARES – an internal benchmarking exercise within the Mahindra Group – and employee-as-promoter (EAP) scores for the Company recorded their highest-ever levels. **Mahindra Holidays featured amongst the top 100 'Best Companies to work for in India' by Great Place to Work Institute.**

As on March 31, 2019, there were 5,439 people on the rolls of the Company. Employee relations remained cordial throughout the year.

Technology and Digitisation

Mahindra Holidays believes that technology plays an active role in providing a competitive edge in the market and contributes directly to performance. The Company has invested significant resources in its Information Technology (IT) architecture and is benefiting from it across all key spheres of its operations – be it customer acquisition, resort operations, member services and internal controls.

Maintaining and upgrading digital assets that enable effective member servicing is an important priority. The most significant

development in this context was implementation of an Artificial Intelligence (AI) based resort recommendation engine, which went live on the Company's website as well as the mobile app in 2018-19. This utilises latest technology and cloud based architecture to recommend available resorts based on member search criteria and prior preferences, providing viable options to members. This has proven to be successful in reducing refusals, increasing unique member holidays and occupancy.

During the year, it also implemented web interface for 'Club M Select' and enabled RCI Integration with members site for direct booking at the RCI portal — thus allowing members to seamlessly avail these services. A new website was also launched for 'GoZest'. The Company also introduced AI-based chatbots on the prospects site for better lead quality and on the members site for their servicing needs. The chatbots have machine learning capabilities and provide 24x7 support on reservations, resort and membership related queries.

Another thrust area in 2018-19 was using digitisation and analytics for enhancing 'Members Life Time Value'. These initiatives have been covered in Box 3.

Utilising the Company's integrated IT infrastructure, the Company also implemented a dialler for collection team, which allows them access to customer information including their past interactions for better efficiency. During 2018-19, it successfully implemented the new accounting standard Ind AS 115. Business analytics continue to be a focus area of the Company. Building on last year's development, dashboards and visualisation tools were implemented across various functions such as Marketing, Sales, Member Experience Management, Resort Operations, HR and Finance.

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. It implements CSR projects directly as well as through implementing partners. As defined in the Company's CSR Policy, it continues to focus its CSR efforts towards girl child education, skill development, healthcare & sanitation, environmental sustainability, protection of national heritage, art & culture, disaster relief and rural development.

Apart from working with not-for-profit organisations and contributing resources for CSR projects, the Company also encourages community service by its employees by involving them through its 'Employee Social Options Program'. **During the year, 2,728 employees volunteered 34,130 man hours on CSR initiatives.**

Some of the key CSR initiatives undertaken by the Company in 2018-19 were:

- **Education & Skill Development:** The Company sponsored the education of 5,156 girls through the 'Nanhi Kali' project of KC Mahindra Education Trust,

which provides academic and material support to underprivileged girls. Projects involving provisioning, upgrading of infrastructure and amenities at government schools were carried out across multiple locations. It also partnered with SEWA Bharat to enhance employability through skill development and provided career counselling through vocational courses in garment making, hospitality, housekeeping, beauty and wellness. It also supports rural livelihood by providing apiculture support to villages in Kodagu, Karnataka.

- **Environment:** 38,002 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 3,44,192 since the beginning of the project in 2010-11. Under the campaign 'Phenk Mat Mumbai' in 2018-19 in partnership with Centre for Social and Behaviour Change communication, it reached out to over 2 lakhs children in Mumbai to create awareness on hygiene and good sanitation practices. The Company also regularly carries out cleanliness drives around its resorts and offices to take the message to local communities. In another initiative, solar street lights were installed in villages around the resorts in Corbett, Kanha and Gir.
- **Healthcare & Sanitation:** To overcome water scarcity in certain drought prone areas in Maharashtra, the Company provided water storage tanks in villages through the Government. Improving access to sanitation facilities is another area through which it seeks to improve health outcomes.
- **Protection of National Heritage, Art & Culture:** In another novel initiative, the Company adopted a music school for children in Jaisalmer, Rajasthan, with the aim to revive and promote dying local art and culture of ethnic folk communities in the region.

Box 7: Disaster Relief and Rehabilitation Efforts in 2018-19

During the heavy rains and flooding in Kerala and Kodagu region of Karnataka in 2018, Mahindra Holidays carried out relief operations in the disaster-affected areas. It stepped in with resources, manpower and logistical support to provide on-ground relief and rehabilitation to people in the flood-impacted regions. It worked closely with the local panchayats and other government agencies to offer medical facilities, food and drinking water to the homeless and those affected by the calamity. 139 employees put in 20,498 manhours of volunteering time towards these disaster relief activities across the resorts.

Sustainability

Sustainability is core to the business of Mahindra Holidays. The Company continues to adopt comprehensive sustainability

measures across its resorts. Some of the key initiatives include carbon footprint measurement, the conservation of biodiversity, alternative sources of energy, water conservation and waste recycling. The Company recognises the importance of sustainability and is committed to conserve the ecological integrity of its locations through responsible business practices. The green initiatives undertaken by the Company are in alignment with its larger mission of 'Good Living, Happy Families'.

Box 8: Mahindra Holidays' Sustainability Commitments

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

Mahindra Holidays has undertaken various initiatives in the areas of solar installations, energy saving, water conservation and waste recycling. Some of the key initiatives and achievements are listed below:

- **Solar Installations and Energy saving:** Focus continued to be on installation of solar power and hot water generators. These have been implemented in eight resorts so far, resulting in the generation of 5 million units (KWh) per annum. Work is in progress in another five resorts, which should increase solar generation by another 2.2 million units (KWh) per annum. Efforts for provisioning of newer technologies and energy efficient installations continued during the year, which led to a significant reduction in units consumed per occupied room.
- **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. 50% of total water consumed by the resorts was recycled in 2018-19. Utilisation of rainwater also increased considerably in 2018-19. Water consumed per occupied room has consistently declined over the last few years.
- **Waste recycling:** The Company embarked on the 'Zero Waste to Landfill' program during the year with a pilot project at its Virajpet resort. **Virajpet resort in Coorg, Karnataka became India's first Zero Waste to Landfill (ZWL) resort.** Intertek, a Total Quality Assurance provider worldwide, accredited Mahindra Holidays with

this certification. Mahindra Holidays also focused on the installation of organic waste converters, vermicompost systems and biogas plants at some of the resorts. 50% of the wet waste produced by the Company was recycled in 2018-19, compared to 46% in the previous year.

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 2018-19, 22 resorts participated in sustainability reporting of the Group.*

Financials

Box 9: Adoption of Ind AS 115 and its Impact

With effect from April 1, 2018, Mahindra Holidays adopted Ind AS 115 (Revenues from Contracts with Customers), which requires income from vacation ownership contracts to be recognised over the tenure of membership. Besides, only incremental expenses directly incurred for obtaining the membership can be deferred over the tenure of the contract. All other costs are to be charged to the P&L account for the period.

Prior to this, the accounts were prepared according to Ind AS 18 where 60% of the sale value of Vacation Ownership membership — the non-refundable admission fee — was accounted for as income in the year of sale and the balance 40% was deferred over the tenure of the membership; all costs were charged to the P&L.

Now, under the new standard Ind AS 115, while a significant part of the income is deferred, only a small portion of the costs — such as commission, incentives and offers directly linked to membership acquisition — are similarly deferred. As a result, the reported income and profits are lower under Ind AS 115. Besides, as this applies to all active contracts, there is significant increase in deferred revenue in the Company's balance sheet.

However, this has no bearing on the fundamental nature of the Company's business, which remains the same. The unit economics or cash flows do not change and the profitability will remain the same over the tenure of membership. Mahindra Holidays will continue to focus on operating metrics such as member acquisition, collections and cash flows — which are lead indicators, that will reflect in revenues and profits over the term of the membership. At the same time, around 95% of vacation ownership income is predictable and recurring, allowing greater visibility of revenues in the future.

Table 1 presents the abridged financial statements of the Company as a standalone entity. To facilitate comparison with the previous year, the results for 2018-19 have also been presented according to the old standard Ind AS 18.

Table 1: Financial Information (Standalone)

(₹ in crore)

	Ind AS 115	Ind AS 18	
	2018-19	2018-19	2017-18
Income from Operations	918.2	1,125.2	1,064.2
Non-operating Income	45.2	45.2	30.0
Total Income	963.4	1,170.4	1,094.2
Operating & Other Expenses	811.8	877.7	832.2
Finance cost	0.0	0.0	0.1
Depreciation	51.4	51.4	54.8
Total Expenditure	863.2	929.1	887.0
Profit Before Tax (PBT)	100.2	241.3	207.2
Taxes	36.3	85.5	72.8
Profit After Tax (PAT)	63.9	155.8	134.4
Other Comprehensive Income (Net of Tax)	739.2	739.2	(0.7)
Total Comprehensive Income	803.1	895.0	133.7
Diluted EPS (₹)	4.80	11.71	10.10
Cash & Cash Equivalents	571.9	571.9	469.6
Long-term Debt	0	0	0
Deferred Revenues	5,239.3	2,369.1	2,288.5

Standalone Financial Results

- According to the new accounting standard Ind AS 115, Total Income, which includes both operating and other income, stood at ₹ 963 crore in 2018-19 and Total Expenditure was ₹ 863 crore. PBT during the year was ₹ 100 crore, whereas PAT was ₹ 63.9 crore.
- Using comparable estimates based on old accounting standard Ind AS 18 for both the years, brings out the significant improvement in performance over previous year.
 - Total Income grew by 7% from ₹ 1,094 crore in 2017-18 to ₹ 1,170 crore in 2018-19. Income from sale of vacation ownership products, which is the largest component of the Company's operating income, grew by 2.1% from ₹ 545 crore in 2017-18 to ₹ 557 crore in 2018-19. Annual Subscription Fees (ASF) grew by 10.9% to ₹ 240 crore and Resort

Income — which includes revenues from F&B, resort activities and rooms — grew by 5% to ₹ 220 crore in 2018-19.

- Total Expenditure growth was contained at 4.7%; it grew from ₹ 887 crore in 2017-18 to ₹ 929 crore in 2018-19, reflecting success of the Company's cost control and optimisation measures. Considerable focus was on Sales and Marketing Expenses, which declined by 6.1% to ₹ 205 crore in 2018-19. With no long-term debt on its books as a standalone entity, financial expenses remained negligible.
- PBT grew at 16.4% from ₹ 207 crore in 2017-18 to ₹ 241 crore in 2018-19. PAT grew by 15.9% from ₹ 134 crore in 2017-18 to ₹ 156 crore in 2018-19. Accordingly, diluted EPS increased from ₹ 10.10 in 2017-18 to ₹ 11.71 in 2018-19.
- The cash balances improved significantly from ₹ 470 crore at the end of 2017-18 to ₹ 572 crore at the end of 2018-19. 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, 2019.
- During the year, the Company changed its accounting policy with respect to valuation of its freehold land assets, which is now being measured at fair market value, compared to value at cost method used earlier. This resulted in a one-time gain of ₹ 739.3 crore (net of deferred tax) in Other Comprehensive Income during 2018-19.

Table 2: Key Financial Ratios (Standalone)

Ratios	Ind AS 115	Ind AS 18	
	FY 18-19	FY 18-19	FY 17-18
Debtors Turnover	0.55	0.79	0.75
Inventory Turnover	5.51	5.51	5.65
Current ratio	2.41	3.14	3.24
Operating profit margin (%)	17%	26%	25%
Net profit margin (%)	7%	14%	13%
Return on Networth* (%)	8%	18%	18%

* The net worth is derived after excluding revaluation reserve of ₹ 73,759.44 lakhs and Transition Difference of (₹ 1,21,044.68 lakhs).

Table 2 presents key financial ratios for Mahindra Holidays as a Standalone entity. As the Company does not have any debt on its Standalone Balance Sheet, Debt Equity and Interest Coverage ratios are not applicable and have not been calculated.

Further, as mentioned earlier, estimates for 2018-19 using Ind AS 115 are not comparable with estimates of 2017-18, which were based on Ind AS 18. Using comparable estimates based on Ind AS 18 for both the years, the changes in financial ratios compared to previous year are not significant, i.e. are less than 25% as defined under the revised SEBI Listing Regulations. The return on networth is stable at 18% for both the years.

Consolidated Financial Results

For the purpose of consolidation of financial results of the Company, 36 Subsidiaries, one Joint Venture (JV) and one Associate as on March 31, 2019 were considered. Table 3 presents the abridged financial statements of the Company as a consolidated entity. Further details of operational and financial performance of Holiday Club Resorts is provided as a separate section. To facilitate comparison with the previous year, results for 2018-19 have also been presented according to the old standard Ind AS 18.

Table 3: Financial Information (Consolidated)

(₹ in crore)

	Ind AS 115	Ind AS 18	
	2018-19	2018-19	2017-18
Income from Operations	2,239.0	2,437.2	2,316.9
Non-operating Income	56.7	56.7	33.7
Total Income	2,295.7	2,493.9	2,350.6
Operating & Other Expenses	2,072.8	2,112.2	1,970.1
Finance cost	23.6	23.6	22.3
Depreciation	101.3	101.3	100.0
Total Expenditure	2,197.7	2,237.1	2,092.4
Profit Before Tax (PBT)*	98.0	256.8	216.6
Profit After Tax (PAT) and NCI	60.4	166.1	132.4
Diluted EPS (₹)	4.54	12.49	9.95
Long-term Debt	812.6	812.6	784.9

* Includes share of JV/Associates and translation difference on external borrowings

- According to the new accounting standard Ind AS 115, Total Income stood at ₹ 2,296 crore in 2018-19 and Total Expenditure was ₹ 2,198 crore. PBT after including share in profit/loss of JV and Associates during the year was ₹ 98 crore, whereas PAT after deducting non-controlling interest was ₹ 60.4 crore.
- Using comparable estimates Ind AS 18 for 2018-19, Total Income grew by 6.1% from ₹ 2,351 crore in 2017-18 to ₹ 2,494 crore in 2018-19, whereas Total Expenditure grew by 6.9% from ₹ 2,092 crore in 2017-18 to ₹ 2,237 crore in 2018-19. After accounting for the share in profit/loss of JV and Associates during the year and translation difference

on external borrowings, PBT grew at 18.6% from ₹ 217 crore in 2017-18 to ₹ 257 crore in 2018-19. PAT after deducting non-controlling interest grew by 25.4% from ₹ 132 crore in 2017-18 to ₹ 166 crore in 2018-19. Accordingly, diluted EPS increased from ₹ 9.95 in 2017-18 to ₹ 12.49 in 2018-19.

- On consolidated basis, total debt was at ₹ 830.4 crore as on March 31, 2019, as compared to ₹ 810 crore at the end of the previous financial year.

Holiday Club Resorts

Holiday Club Resorts (HCR), Finland is a material unlisted subsidiary of Mahindra Holidays where it holds a 96.47% stake. Established in 1986, HCR is the largest vacation ownership company in Europe and the largest operator of leisure hotels in Finland.

As of March 31, 2019, HCR had 33 resorts of which 25 are in Finland, 2 in Sweden and 6 in Spain. 81% of its business comes from Finland, 13% from Sweden and 6% from Spain. The timeshare related business contributes about 55% of its revenues, while the hotel business accounts for the remaining 45%. Its current timeshare membership is about 60,000 families and 1,100 companies. Besides, HCR's Spa Hotels service over 1 million guest visits annually.

Table 4: Summary Financials – Holiday Club Resorts

	2018-19	2017-18
Total Income	160.6	165.5
EBITDA	7.3	12.0
Profit Before Tax (PBT)	0.8	5.5
Profit After Tax (PAT)	0.5	4.7

Note: As per FAS Accounts; Figures in € million

Table 4 provides summary of financial performance of HCR.

- During the year under review, total income of HCR, which includes turnover and other operating income, stood at € 160.6 million, compared to € 165.5 million in 2017-18. Other than villa sales, turnover of all business segments increased during 2018-19.
- EBITDA for the year were € 7.3 million, down from € 12 million in 2017-18. HCR recorded a PBT and PAT of € 0.8 million and € 0.5 million respectively in 2018-19. The decline in performance was mainly due to an exceptionally warm summer in Finland which affected both timeshare and spa hotel businesses. Besides, delays in construction and rework of projects in Sweden resulted in a lower turnover in villa sales and resulted in a one-off loss of € 2.9 million.
- At the same time, the reorganisation in Spain to focus exclusively on timeshare rentals, which was discussed in the last year's report, resulted in improved profitability –

an increase of € 0.7 million in PAT of Spain operations during 2018-19.

Internal Controls

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

The Company conducts periodic internal audits in line with an audit plan that is drawn at the beginning of the year, which is approved by the Audit Committee. The scope of the exercise includes ensuring adequacy of internal control systems, adherence to management policies and compliance with the laws and regulations of the country. The Company's ERP system has appropriate controls embedded in its processes and systems to reduce the need and reliance for compensating manual controls. These have also been strengthened from time to time.

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

Threats, Risks and Concerns

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

Macroeconomic Risks

India's GDP growth decelerated during 2018-19. Although the outlook for 2019-20 is positive, cyclical downturns may continue to resurface in the future. 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 to the extent possible. 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 products 'Bliss' and 'GoZest', which will expand its target member-base.

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

Currently, Mahindra Holidays has no long-term debt on a standalone basis and has a strong and stable capital structure to raise money for further expansion, if needed. It 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 in receivables management and collections 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 foreign subsidiary companies there are underlying assets in the same currency. Hence the Company does not foresee any significant forex risks.

Regulatory and Legal Risks

Mahindra Holidays is exposed to regulatory and legal risks. These include cumbersome processes and risks relating to

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

Mahindra Holidays has 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

India's macroeconomic outlook for FY 2019-20 remains positive. Unless there is a significant change in inflationary expectations, the RBI's current neutral policy stance is likely to continue, keeping interest rates stable. Business and consumer sentiments are also likely to be encouraging. And if these were to be the case, they would augur well for the travel and tourism sector.

Mahindra Holidays registered a creditable performance in 2018-19. Both its flagship 25-year product 'Club Mahindra' and 'Bliss' did well and member satisfaction was at an all-time

high. Company's inventory addition has been generally in line with membership and it is confident of maintaining the pace in the future. Equally important, it has taken significant strides towards building a complete 'experience ecosystem' as well as enhancing 'Members Life Time Value' by deploying advanced digital and analytical solutions.

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 ahead of the curve in terms of deployment of digital and tech-enabled solutions for delivering superior value to its members. This differentiation improves its competitive position. In addition, it has a strong balance sheet with resources at its disposal to drive growth. This will allow the Company to benefit from emerging opportunities in the business.

Cautionary Statement

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

Corporate Governance Report

Corporate Governance Philosophy

Mahindra Holidays & Resorts India Limited ("Mahindra Holidays" or "the Company") upholds highest standards of integrity, transparency, professionalism, business ethics and accountability. Company's corporate governance practices are a reflection of its value system encompassing its culture, policies and relationships with its stakeholders.

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

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

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

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

As on March 31, 2019, the Board comprised of 8 (eight) 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 is the Non-Executive Non-Independent Director 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.

As informed in the previous Annual Report, Mr. Vineet Nayyar, Non-Executive Non-Independent Director of the Company did not seek re-appointment at the 22nd Annual General Meeting held on August 2, 2018 and consequently ceased to be a Director of the Company with effect from August 2, 2018.

The Independent Directors are from diverse fields and bring to the Company a wide range of experience, knowledge and judgement as they draw from 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 are 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.

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.

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

Board & General Meetings and Attendance

The Board met 6 (six) times during the Financial Year 2018-19, on May 8, 2018, August 9, 2018, September 28, 2018, October 29, 2018, January 30, 2019 and March 17 & 18, 2019. The gap between two Meetings did not exceed 120 (one hundred and twenty) days. The Twenty Second Annual General Meeting (AGM) of the Company was held on August 2, 2018. The Chairman of the Audit Committee, the Chairman of the Stakeholders Relationship Committee and Representative authorized by the Chairman of the Nomination and Remuneration 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, 2018 to March 31, 2019 is as under:

Name of the Director	DIN	Category	Number of Board Meetings		Attendance at the last AGM (August 2, 2018)
			Held	Attended	
Mr. Arun Nanda	00010029	Non-Executive Chairman	6	6	Y
Mr. Vineet Nayyar*	00018243	Non-Executive Non Independent Director	1	0	N
Mr. Cyrus Guzder	00080358	Independent Director	6	6	N
Mr. Rohit Khattar	00244040	Independent Director	6	4	N
Mr. Sridar Iyengar	00278512	Independent Director	6	4	Y
Mr. Sanjeev Aga	00022065	Independent Director	6	5	N
Mr. V S Parthasarathy	00125299	Non-Executive Non Independent Director	6	6	N
Ms. Radhika Shastry	01787918	Independent Director	6	5	N
Mr. Kavinder Singh	06994031	Managing Director & CEO	6	6	Y

* Ceased to be Director of the Company w.e.f August 2, 2018.

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

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

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

Name of the Director	As on March 31, 2019*			
	Indian Listed Companies [#]	Total Directorship(s) [#]	Committee Membership(s) [^]	Committee Chairmanship(s) [^]
Mr. Arun Nanda	2	6	2	2
Mr. Cyrus Guzder	2	2	4	2
Mr. Rohit Khattar	1	3	1	Nil
Mr. Sridar Iyengar	2	3	3	2
Mr. Sanjeev Aga	5	5	5	2
Mr. V S Parthasarathy	3	5	5	1
Ms. Radhika Shastry	1	2	2	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).

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

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

The details of directorship of listed entities held by the Directors are as under:

Name of the Director	Name of the Listed Companies	Category
Mr. Arun Nanda	Mahindra Lifespace Developers Limited	Chairman & Non-Executive Director
Mr. Cyrus Guzder	The Great Eastern Shipping Limited	Independent Director
Mr. Rohit Khattar	-	-
Mr. Sridar Iyengar	Dr. Reddy's Laboratories Limited	Independent Director
Mr. Sanjeev Aga	1) Larsen & Toubro Limited	Independent Director
	2) Larsen & Toubro Infotech Limited	Independent Director
	3) UFO Moviez India Limited	Chairman & Independent Director
	4) Pidilite Industries Limited	Independent Director
Mr. V S Parthasarathy	1) Mahindra and Mahindra Financial Services Limited	Non-Executive Director
	2) Tech Mahindra Limited	Non-Executive Director
Ms. Radhika Shastry	-	-
Mr. Kavinder Singh	-	-

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

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

Name of the Director	Shares held as on March 31, 2019	No. of Options granted*	Date of Grant	Exercise Price (₹)	Vesting Period (Note No. 1)
Mr. Arun Nanda (Note No. 2)	12,66,945	1,50,000	18.02.2016	246.67	Four equal installments in February 2017, 2018 2019 and 2020
Mr. Cyrus Guzder	40,050	-	-	-	-
Mr. Rohit Khattar	40,050	-	-	-	-
Mr. Sridar Iyengar	10,313	20,624	21.02.2012	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	-	6,00,000	22.01.2015	176.00	Four equal installments in January 2016, 2017, 2018 and 2019

* The Options granted and outstanding as on March 31, 2019

Notes:

- 1) Exercise Period: On the date of vesting or within five years from the date of vesting.
- 2) In addition, 1,53,075 Equity Shares are held by relatives of Mr. Arun Nanda.

Skills/Expertise/Competencies of the Board of Directors

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

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

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

Appointment/Re-appointment of Directors

Particulars of Directors seeking re-appointment at the ensuing Annual General Meeting is given below:

Mr. Arun Nanda (DIN 00010029)

Mr. Arun Nanda (70) is a Founder Director of Mahindra Holidays & Resorts India Limited (date of inception: September 20, 1996). Mr. Nanda holds a Degree in Law from the University of Calcutta, is a fellow member of the Institute of Chartered Accountants of India (FCA) and a fellow member of the Institute of Company Secretaries of India (FCS). Mr. Nanda has also participated in a Senior Executive Programme at the London Business School.

He joined the Mahindra Group in 1973 and held several important positions within the Group over the 40 years he was with the company. He was inducted to the Board of Mahindra & Mahindra Ltd. (M&M) in August 1992 and resigned as Executive Director in March 2010 to focus on the social sector and create a favourable ecosystem for senior citizens. He was a non-executive director from April 2010 till August 2014.

He is currently the Chairman of Mahindra Holidays & Resorts India Ltd. and Mahindra Lifespace Developers Ltd. He is also the Chairman of Holiday Club Resorts Oy, Finland, Director of National Skill Development Corporation, Chairman of CII National Committee on Skill Development, Chairman on the Governing Board of Centre for Social and Behaviour Change Communication, Member of the Governing Body of Helpage India and on the Advisory Board of TechnoServe India.

He is also Chairman Emeritus of the Indo-French Chamber of Commerce. He was Chairman of CII Western Region Council for the year 2010-2011 and Chairman of Tourism & Hospitality Skill Council. He was a Member of the Task Force set up by the B20 on Anti-Corruption which presented the policy paper to President Sarkozy at the G20 Summit held in Cannes in November 2011 and to President Putin in St. Petersburg in June 2013.

Mr. Nanda was honoured with an award of "Chevalier de la Legion d'Honneur" (Knight of the National Order of the Legion of Honour) by the President of the French Republic, Mr. Nicolas Sarkozy in 2008.

Mr. Arun Nanda is the recipient of the following awards:

- ❖ "Real Estate Person of the Year Award from GIREM Leadership Awards in India in 2008.
- ❖ "ICSI National Award" for Excellence in Corporate Governance for Mahindra & Mahindra as the best governed company in 2008.
- ❖ "CA Business Achiever Award - Corporate" at The Institute of Chartered Accountants of India Award 2009
- ❖ "Lifetime Achievement Award" at the Golden Star Awards 2010 for his outstanding contribution to the Hospitality Industry and the Service Sector.
- ❖ "Aatithya Ratna Award" by the Business Hotels Network and Horwath HTL in 2014 for his contribution to the success of the Hospitality Industry.
- ❖ "Lifetime Achievement Award" at the CNBC Awaaz Real Estate Awards in December 2014 for his relentless pursuit of excellence and dynamic leadership that steered the growth of Mahindra Lifespaces.
- ❖ "Recognition of CAs in Social Service" by the Institute of Chartered Accountants of India in August 2015 for best work for Senior Citizens.
- ❖ "IFCA Award of Excellence" by Indian Federation of Culinary Association in September, 2015 for outstanding contribution to the development of culinary profession and promotion of culinary art in India.
- ❖ "Lifetime Achievement Award" by National Real Estate Development Council (NAREDCO) in September 2016 for exceptional contribution to India's real estate sector.
- ❖ "Lifetime Achievement Award" by Hotelier India in December 2018 for the pioneering work and invaluable contribution to the hospitality industry.

Mr. Arun Nanda is holding Directorship (including membership of the Committees of the Board) of the following companies:

Name of the Company	Name of the Committee	Member / Chairperson
Mahindra Holidays & Resorts India Limited	Stakeholder Relationship Committee	Chairman
	Corporate Social Responsibility Committee	Chairman
	Nomination and Remuneration Committee	Member
	Risk Management Committee	Member
	Inventory Approval Committee	Chairman
	Strategy and Review Committee	Chairman
	Securities Allotment Committee	Member
Mahindra Lifespace Developers Limited	Stakeholders Relationship Committee	Chairman
	Loans & Investment Committee	Chairman
	Nomination & Remuneration Committee	Member
	Share Transfer and allotment Committee	Member
	Committee for Investment in Residential Joint Ventures / Large Format Developments	Member
	Corporate Social Responsibility	Chairman
Mahindra Holdings Limited	Loans & Investment Committee	Member
Mahindra World City (Jaipur) Limited	Capital Issue Committee	Member
	Loans & Investment Committee	Member
Mahindra World City Developers Limited	-	-
National Skill Development Corporation	-	-
Mahindra Happinest Developers Limited	-	-
Holiday Club Resorts Oy	-	-
HCR Management Oy	-	-

Mr. Rohit Khattar (DIN 00244040)

Mr. Rohit Khattar (55) was appointed as a Director of the Company on January 12, 2004. In the current tenure, he was appointed as an Independent Director for the first term of 5 years pursuant to the provisions of the Act at 18th Annual General Meeting of Mahindra Holidays held on August 27, 2014.

Mr. Rohit Khattar graduated in 1985 from the School of Hotel, Restaurant and Institutional Management, Michigan State University, U.S.A. He is the Founder Chairman of Old World Hospitality Private Limited (O.W.H.), which is India's largest live entertainment organiser and operates India's most comprehensive performing arts and convention centre Habitat World at India Habitat Centre, New Delhi, as well as 2 hotels and over 35 restaurants, including the iconic 'Chor Bizarre' restaurant that he created 25 years ago as well as his latest restaurant 'Indian Accent', both of which have won numerous awards.

Mr. Rohit Khattar is Founder Chairman of Cinestaan Film Company, a boutique studio which has several films under development and production. He is also Chairman of Mumbai Mantra Media Limited, the entertainment vertical of the \$20.7 Billion Mahindra Group.

Mr. Rohit Khattar has over 33 years of experience in the hospitality industry. He was featured amongst 'The Big 10 of the F&B industry' and amongst 'the 99 superstars who changed our lives (across India)' by TimeOut in 2013. He was honored by the 'IFCA Award of Excellence' by the Indian Federation of Culinary Associations in appreciation of his outstanding contribution to the development of the culinary profession and society.

Mr. Rohit Khattar is holding Directorship (including membership of the Committees of the Board) of the following companies:

Name of the Company	Name of the Committee	Member / Chairperson
Mahindra Holidays & Resorts India Limited	Audit Committee	Member
	Nomination and Remuneration Committee	Member
	Strategy and Review Committee	Member
Mumbai Mantra Media Limited	Remuneration Committee	Member
Old World Hospitality Private Limited	-	-
I E Marketing Private Limited	-	-
Tamarai Suites Private Limited	-	-
ILC Hospitality Limited	-	-
Ekatra Hospitality Ventures Private Limited	-	-
Tikka Town Private Limited	-	-
Cinestaan Entertainment Private Limited	-	-
Cinestaan Film Company Private Limited	-	-
Cinestaan Digital Private Limited	-	-
Old World Hospitality International Ltd.	-	-
Ekatra Ventures Singapore PTE. Ltd.	-	-
India's Restaurants Ltd.	-	-
Markz Hospitality Inc.	-	-
Midtown Manor LLC	-	-

Mr. Sanjeev Aga (DIN 00022065)

Mr. Sanjeev Aga (67) was appointed as a Director of the Company on April 18, 2013. In the current tenure, he was appointed as an Independent Director for the first term of 5 years pursuant to the provisions of the Act at 18th Annual General Meeting of Mahindra Holidays held on August 27, 2014.

Mr. Sanjeev Aga did his schooling from Scindia School, Gwalior, graduated with Physics Honours from St Stephen's College, Delhi, and post graduated from IIM Kolkata. Mr. Sanjeev Aga spent his early business years with Asian Paints in field sales and marketing responsibilities. He later headed the Furniture and the Leo-Mattel Toys businesses of the erstwhile Blow Plast, now VIP Industries, before leading that company as MD from 1993 to 1998. Subsequently, Mr. Sanjeev Aga was also appointed as Managing Director at Aditya Birla Nuvo, and the Managing Director of Idea Cellular from 2006 until he stepped down in 2011.

For 2009, Mr. Sanjeev Aga received on behalf of Idea Cellular the ET Award for The Emerging Company of the Year. In 2009, Indira Innovation named him CEO of the Year, and in 2010 Tele.Net felicitated him for Outstanding Contribution to the Telecom Sector. In 2010, Forbes Magazine shortlisted Mr. Sanjeev Aga among 20 Indians for the Person of the Year. The Scindia School conferred upon him the Madhav Award 2014 for the Old Boy Of Eminence. Sanjeev Aga now engages in advisory and board roles for corporates and non-profits. He is based in Mumbai.

Mr. Sanjeev Aga is holding Directorship (including membership of the Committees of the Board) of the following companies:

Name of the Company	Name of the Committee	Member / Chairperson
Mahindra Holidays & Resorts India Limited	Audit Committee	Member
	Strategy and Review Committee	Member
Pidilite Industries Ltd	Audit Committee	Member
	Stakeholders Relationship Committee	Chairman
	Nomination & Remuneration Committee	Member
	Corporate Social Responsibility	Member
UFO Moviez India Limited	Audit Committee	Chairman
	Nomination & Remuneration Committee	Member
Larsen & Toubro Limited	Audit Committee	Member
Larsen & Toubro Infotech Limited	-	-
Vedant Fashions Private Limited	-	-
Vishal Megamart Private Limited	-	-

Mr. Sridar Iyengar (DIN 00278512)

Mr. Sridar Iyengar (71) was appointed as a Director of the Company on April 30, 2008. In the current tenure, he was appointed as an Independent Director for the first term of 5 years pursuant to the provisions of the Act at 18th Annual General Meeting of Mahindra Holidays held on August 27, 2014.

Mr. Sridar Iyengar graduated with B.Com (Hons) from the University of Calcutta and is a Fellow of the Institute of Chartered Accountants in England and Wales. He is a board member of various companies. Mr. Sridar Iyengar was the Partner in charge of KPMG's Emerging Business Practice. He has held a number of leadership roles within KPMG's global organization particularly in setting up and growing new practices. He has the distinction of having worked as a partner in all three of KPMG's regions Europe, America and Asia Pacific as well as KPMG's disciplines assurance, tax consulting and financial advisory services. Mr. Sridar Iyengar served as Chairman and Chief Executive Officer of KPMG's operations in India between 1997 and 2000 and during that period was a member of the Executive Board of KPMG's Asia Pacific practice. Prior to that, he headed the International Services practice in the West Coast. On his return from India in 2000, he was asked to lead KPMG's effort on delivering audit and advisory services to early stage companies. He served as a member of the Audit Strategy group of KPMG LLP. After he left KPMG in 2002, Mr. Sridar Iyengar has remained active in advising young entrepreneurs in both commercial and social enterprises.

Mr. Sridar Iyengar is holding Directorship (including membership of the Committees of the Board) of the following companies:

Name of the Company	Name of the Committee	Member / Chairperson
Mahindra Holidays & Resorts India Limited	Audit Committee	Chairman
ICICI Venture Funds Management Company Limited	Audit Committee	Member
Dr. Reddy's Laboratories Limited	Audit Committee	Chairman
Dr. Reddy Laboratories S.A.	-	-
Cleartrip Private Limited	Audit Committee	Chairman
ClearTrip Inc.	-	-
AverQ Inc	-	-
Holiday Club Resorts Oy	-	-

Mr. Cyrus Guzder (DIN 00080358)

Mr. Cyrus Guzder (73) was appointed as a Director of the Company on August 7, 1998. In the current tenure, he was appointed as an Independent Director for the first term of 5 years pursuant to the provisions of the Act at 18th Annual General Meeting of Mahindra Holidays held on August 27, 2014.

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

He has held the leadership position of CII's National Council of Civil Aviation and CII's National Committee on Logistics and also served on the Local Advisory Board of Barclays Bank, India and the Board of Governors of Reserve Bank of India's Banking Codes and Standard Board of India. He is currently a Member of the Court of Governors of Administrative Staff College and a Trustee of the Asiatic Society of Bombay and The Marg Foundation.

Mr. Cyrus Guzder is holding Directorship (including membership of the Committees of the Board) of the following companies:

Name of the Company	Name of the Committee	Member / Chairperson
Mahindra Holidays & Resorts India Limited	Audit Committee	Member
	Nomination and Remuneration Committee	Chairman
	Corporate Social Responsibility Committee	Member
	Stakeholders Relationship Committee	Member
	Risk Management Committee	Member
	Inventory Approval Committee	Member
	Strategy and Review Committee	Member

Name of the Company	Name of the Committee	Member / Chairperson
The Great Eastern Shipping Company Limited	Nomination & Remuneration Committee	Chairman
	Audit Committee	Chairman
	Stakeholders Relationship Committee	Chairman
	Corporate Social Responsibility	Member
AFL Private Limited	-	-
N.S. Guzder & Co. Pvt. Ltd.	-	-
Quikjet Cargo Airlines Pvt. Ltd.	-	-
Cyfast Enterprises Pvt. Ltd.	-	-
Indglobal Network Support Pvt. Ltd.	-	-
Nukote Coating Systems India Pvt. Ltd.	-	-
BDS Projects India Private Limited	-	-
Rapidair Aviation Services Pvt. Ltd.	-	-
Seejay Management Consultants Pvt. Ltd.	-	-

Mr. Kavinder Singh (DIN 06994031)

Mr. Kavinder Singh is a graduate in Mechanical engineering from NIT Warangal and has completed his General Management Program at Wharton Business School, Advance Manufacturing Strategy program of Harvard Business School and Advanced Marketing Management program from Wharton Business School. Mr. Kavinder Singh joined Mahindra Holidays & Resorts India Limited (Mahindra Holidays) as Managing Director & CEO on November 3, 2014. In April 2015, he was given additional responsibilities as President (Leisure & Hospitality Sector) and Member of the Group Executive Board. In April 2019, Mr. Kavinder Singh was appointed as the Vice-Chairman of Holiday Club Resorts Oy, Finland. His goal is to develop Mahindra Holidays into a world class vacation ownership company.

Mr. Kavinder Singh has an overall experience spanning more than 33 years in consumer sector (FMCG/Paints/Adhesives). Prior to joining Mahindra Holidays, he has worked in Asian Paints Limited, ITC Limited and Pidilite Industries Limited. During his 17-year career with ITC, he was heading the Biscuits and Confectionery business and played a crucial role in setting up and building the 'Sunfeast' biscuits business. At Pidilite, he initiated the 'Strategic Initiatives Group' and led the transformational Corporate Strategic Initiatives. After a successful stint as Chief Strategy Officer, he became the first CEO of the Consumer Products Business at Pidilite.

Mr. Kavinder Singh is holding Directorship (including membership of the Committees of the Board) of the following companies:

Name of the Company	Name of the Committee	Member / Chairperson
Mahindra Holidays & Resorts India Limited	Stakeholder Relationship Committee	Member
	Corporate Social Responsibility Committee	Member
	Risk Management Committee	Member
	Inventory Approval Committee	Member
	Strategy and Review Committee	Member
	Securities Allotment Committee	Member
Holiday Club Resorts Oy	-	-

Board Procedure

The Chairman of the Board and the Company Secretary, in consultation with other concerned members of the senior management, finalize the agenda for the Board and Committee meetings. A detailed agenda, setting out the business to be transacted at the meeting supported by detailed notes are sent to each Director at least seven days before the date of the Board and Committee Meetings except for the Unpublished Price Sensitive Information which are circulated separately or placed at the Meetings of the Board and the Committees. To provide a web-based access, a soft copy of the said agenda is

also uploaded on the Board Portal which acts as a document repository. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the 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 is appraised at every meeting on the overall performance of the Company. A detailed report on the operations of the Company and quarterly compliance report are also presented at the Board Meetings.

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

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

Meetings of Independent Directors

The Company's Independent Directors meet at least once every year without the presence of Executive Director or management personnel. Such meetings are conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views. Further, the Independent Directors also review the performance of the Non-Independent Directors, Chairman (after taking into account the views of the Executive and Non-Executive Directors) and the Board as a whole; assess the quality, quantity and timeliness of flow of information between the Company management and the Board, that is necessary for the Board to effectively and reasonably perform their duties. During the year under review, 3 (three) meetings of Independent Directors were held on May 8, 2018, August 9, 2018 and October 29, 2018 and the same were attended by all the Independent Directors.

Familiarisation Programme for Independent Directors

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

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

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

Board and Director Evaluation and Criteria for Evaluation

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

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

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

Board Committees

Audit Committee

The composition of Audit Committee meets the requirements of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. As on March 31, 2019, the Committee comprised of 6 (six) Directors: Mr. Sridar Iyengar (Chairman of the Committee), Mr. Cyrus Guzder, Mr. Rohit Khattar, Mr. Sanjeev Aga, Mr. V S Parthasarathy and Ms. Radhika Shastry. The Board of Directors at their meeting held on January 30, 2019 had appointed Ms. Radhika Shastry as a member of the Audit Committee.

Mr. Sridar Iyengar, Mr. Cyrus Guzder, Mr. Rohit Khattar, Mr. Sanjeev Aga and Ms. Radhika Shastry are Independent Directors. All members of the Committee are financially

literate and the Chairman possesses financial management/ accounting expertise. The Company Secretary acts 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 as amended w.e.f. April 1, 2019, inter alia, includes the following:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - 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
- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.

The Committee met 5 (five) 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 2018-19, the Committee met on May 8,

2018, August 9, 2018, September 28, 2018, October 29, 2018 and January 30, 2019. Attendance of members of the Committee at the meetings held during the Financial Year 2018-19 is as below:

Name of the Director	Number of Audit Committee Meetings	
	Held	Attended
Mr. Sridar Iyengar	5	3
Mr. Cyrus Guzder	5	5
Mr. V S Parthasarathy	5	5
Mr. Rohit Khattar	5	3
Mr. Sanjeev Aga	5	4
Ms. Radhika Shastry*	1	1

* Appointed as Member w.e.f. January 30, 2019

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

Nomination and Remuneration Committee (NRC)

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

The NRC consists of Mr. Cyrus Guzder (Chairman of the Committee), Mr. Arun Nanda, Mr. Rohit Khattar and Mr. Sridar Iyengar. Mr. Vineet Nayyar, Non-Executive Director of the Company did not seek re-appointment at the 22nd Annual General Meeting held on August 2, 2018 and consequently ceased to be a Director and member of NRC of the Company with effect from August 2, 2018.

Terms of Reference of the Committee, as amended w.e.f. April 1, 2019, 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 recommend to the board, all remuneration, in whatever form, payable to senior management
- To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
- To perform such other functions as may be necessary or appropriate for the performance of its duties

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

The Committee met 5 (five) times during the year under review on: May 8, 2018, August 9, 2018, September 28, 2018, October 29, 2018 and March 17, 2019. Attendance of members of the Committee at the meetings held during the Financial Year 2018-19 is as below:

Name of the Director	Number of NRC Meetings	
	Held	Attended
Mr. Cyrus Guzder	5	5
Mr. Arun Nanda	5	5
Mr. Rohit Khattar	5	4
Mr. Sridar Iyengar	5	4
Mr. Vineet Nayyar*	1	0

*Ceased to be Member w.e.f August 2, 2018

The Board accepted all recommendations made by the NRC.

Performance Evaluation of the Board

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

Remuneration to Directors

Remuneration Policy

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

through participation in structured surveys. This information is used to review the Company's remuneration policies.

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

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

Remuneration of Non-Executive Directors

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

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

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

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

During the year under review, the Non-Executive Directors were paid a commission of ₹ 184 lakhs (as provided in the accounts of the year ended March 31, 2018).

A commission of ₹ 105 lakhs provided as payable to the Non-Executive Directors in the accounts for the year under review and to be distributed amongst themselves is shown in the table below.

Detailed information of Directors' remuneration paid/payable during the year 2018-19:

(₹ in lakhs)

Name of the Director	Category of Director	Sitting Fees (Note 1)	Commission [#]	Salary, Performance pay and Perquisites	Superannuation and Provident Fund (Note 2)	Total
Mr. Arun Nanda	Non-Executive Chairman	9.60	42.00	-	-	51.60
Mr. Cyrus Guzder	Independent	10.20	13.50	-	-	23.70
Mr. Rohit Khattar	Independent	6.10	12.00	-	-	18.10
Mr. Sridar Iyengar	Independent	6.10	13.50	-	-	19.60
Mr. Sanjeev Aga	Independent	6.20	12.00	-	-	18.20
Mr. V S Parthasarathy	Non – Executive	-	-	-	-	-
Ms. Radhika Shastry	Independent	5.30	12.00	-	-	17.30
Mr. Kavinder Singh	MD & CEO	-	-	394.45	21.83	416.28
TOTAL		43.50	105.00	394.45	21.83	564.78

[#] The Commission for the financial year ended March 31, 2019 will be paid to the Non-Executive Directors, subject to deduction of tax, after adoption of financial statements by the Members at the Annual General Meeting to be held on July 31, 2019.

Notes:

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

(₹ in lakhs)

Particulars	Kavinder Singh
Salary and Allowances	286.65
Perquisites	8.94
Performance Pay	120.69

- Mr. S Krishnan ceased to be Executive Director of the Company w.e.f. January 21, 2018. During the financial year 2018-19, Mr. S Krishnan was paid the performance pay amounting to ₹ 38.18 lakhs pertaining to financial year 2017-18. Further, Mr. Krishnan had exercised his ESOPs entitlements and earned perquisites amounting to ₹ 161.65 lakhs.
- The Company has not advanced loans to any Director during the year.
- The nature of employment of the Managing Director & CEO with the Company is contractual and can be terminated by giving 3 months' notice from either party. Mr. Kavinder Singh's appointment is for a period of 5 years. The contract does not provide for any severance fees. Remuneration paid to Mr. Kavinder Singh was approved by the shareholders.
- Performance pay to the Whole-Time Directors is determined by the NRC and then approved by the Board on the basis of pre-determined performance parameters.

Stakeholders Relationship Committee (SRC)

The Company's Stakeholders Relationship Committee consists of Mr. Arun Nanda (Chairman of the Committee), Mr. V S

Parthasarathy, Mr. Cyrus Guzder and Mr. Kavinder Singh. The Board of Directors at their meeting held on January 30, 2019 had appointed Mr. Cyrus Guzder (Independent Director) as a member of the SRC.

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

Terms of Reference of the Committee, as amended w.e.f. April 1, 2019, *inter alia*, includes the following:

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

The Committee met 4 (four) times during the Financial Year 2018-19 on May 8, 2018, August 9, 2018, October 29, 2018 and January 30, 2019. Attendance of members of the Committee at the meetings held during the Financial Year 2018-19 is as below:

Name of the Director	Number of SRC Meetings	
	Held	Attended
Mr. Arun Nanda	4	4
Mr. V S Parthasarathy	4	4
Mr. Kavinder Singh	4	4
Mr. Cyrus Guzder*	1	1

*Appointed as Member w.e.f. January 30, 2019

During the financial year under review, 8 complaints were received from the shareholders, all of which have been attended to/resolved. As of March 31, 2019, 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 2018-19 on May 8, 2018, August 9, 2018, October 29, 2018 and January 30, 2019. All the members of the Committee attended all the meetings held during the financial year 2018-19.

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 2018-19 on August 9, 2018, October 29, 2018 and January 30, 2019. All the members of the Committee attended all the meetings.

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 2018-19 as the evaluation and review of strategy and business plan was considered and approved by the Board at its meeting held on March 17 & 18, 2019.

Risk Management Committee

The erstwhile Regulation 21 of the SEBI Listing Regulations with reference to Risk Management Committee was not applicable to your Company. However, your Company had 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. However, with effect from April 1, 2019, the provisions of Regulation 21 with reference to Risk Management Committee, have become applicable to your Company, being one of the top 500 listed entities, determined on the basis of market capitalisation as on March 31, 2019.

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

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

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

No meeting of the Committee was held during the financial year 2018-19 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

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

As on March 31, 2019, the Committee comprised of 3 (three) members: Mr. Arun Nanda, Mr. V S Parthasarathy and Mr. Kavinder Singh.

No meeting of the Committee was held during the financial year 2018-19. During the year under review, the Committee approved certain transactions by way of circular resolutions.

Other Disclosures

Code of Conduct

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

Disclosure of Accounting Treatment

The standalone and consolidated financial statements for 2018-19 have been prepared in accordance with applicable Indian Accounting Standards (Ind AS) issued by the Institute of Chartered Accountants of India and the provisions of the Act and the rules framed thereunder.

CEO and CFO Certification

Certificate issued by Mr. Kavinder Singh, Managing Director & Chief Executive Officer (MD & CEO) and Mrs. Akhila Balachandar, Chief Financial Officer (CFO) of the Company, for the Financial Year under review, was placed before the Board of Directors at its meeting held on May 15, 2019, in terms of Regulation 17(8) of the SEBI Listing Regulations. The MD & CEO and CFO have also provided quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the SEBI Listing Regulations.

Compliance Certificate of the Auditors

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

Certificate from Practicing Company Secretary

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

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

Details of remuneration to Statutory Auditors

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

(₹ in lakhs)

Payment to statutory auditors	FY 2018-19
Audit Fees	53.00
Other services	33.12
Reimbursement of expenses	3.27
Total	89.39

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

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

Subsidiary Companies

All subsidiary companies are managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. Mr. Sridar Iyengar, Independent Director of the Company acts as a director on the Board of Holiday Club Resorts Oy, Finland, material unlisted subsidiary of the Company as on March 31, 2019. The policy for determining material subsidiaries as approved by the Board may be accessed on the Company's website at: <http://www.clubmahindra.com/about-us/policies>

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

Related Party Transactions

During the Financial Year 2018-19, 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/about-us/policies>

Details of non-compliance relating to Capital Markets

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

Code for Prevention of Insider Trading Practices

The Company has adopted a comprehensive Code of Conduct for Prevention of Insider Trading in Securities of Mahindra Holidays & Resorts India Limited ('Insider Trading Code'). The Insider Trading Code lays down guidelines, through which it advises the designated persons or directors on procedures to be followed and disclosures to be made, while dealing with securities of the Company and cautions them of the consequences of violations. SEBI vide notification dated December 31, 2018, made amendments to SEBI (Prohibition of Insider Trading) Regulations, 2015 ('Insider Trading Regulations'), which are effective from April 1, 2019. In accordance with the amended Insider Trading Regulations, the Company has revised its "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" ('Code of Fair Disclosure') and Insider Trading Code. The Company has also formulated and adopted a 'Policy for disclosure of unpublished price sensitive information (UPSI) for legitimate purposes' which forms a part of its Code of Fair Disclosure and a 'Policy for dealing with instances of leakage of UPSI'.

Dividend Distribution Policy

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

Proceeds from Public Issues

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

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

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

Commodity Price Risk and Commodity hedging activity

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

Foreign Exchange Risk and hedging activity

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

Details of Unclaimed Shares

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

As on March 31, 2019, the Company has 5 shareholders with 172 unclaimed shares lying in the Demat Suspense Account. The voting rights 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, 2018	5	172
Number of shareholders who approached Issuer / Registrar and Transfer Agent for transfer of shares from suspense account during the year 2018-19	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year 2018-19	Nil	Nil
Number of shares transferred to Investor Education and Protection Fund during the year 2018-19	N.A.	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2019	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 a period of seven consecutive years are also liable to be transferred to the demat account of the IEPF Authority.

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

In view of the above, unpaid dividend amounting to ₹ 66,736 for the financial year 2010-11 and 69 equity shares were transferred to the IEPF Authority during the financial year 2018-19.

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, 2018 (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 has been attached as a separate section and forms part of this Annual Report.

Compliance with Regulations pertaining to Corporate Governance

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

As regards the discretionary requirements, there is no modified audit opinion on 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 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
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).
2018	August 2, 2018	3.00 PM	Vani Mahal (Mahaswami Hall), 103, G. N. Chetty Road, T. Nagar, Chennai -600 017	No special resolution was passed

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

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

General Shareholder Information: Twenty Third Annual General Meeting

Date : July 31, 2019

Time : 3.00 PM

Venue : Vani Mahal Hall (Mahaswami Hall), 103, G. N. Chetty Road, T. Nagar, Chennai - 600017, Tamil Nadu

Dates of Book Closure:

Dates of book closure for 23rd Annual General Meeting will be from July 25, 2019 to July 31, 2019 (both days inclusive).

Financial Year

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

Financial Reporting for 2019-20

First Quarter Results – June 30, 2019	By last week of July, 2019
Half Yearly Results – September 30, 2019	By first week of November, 2019
Third Quarter Results – December 31, 2019	By end of January, 2020
Approval of Annual Accounts –March 31, 2020	By second week of May, 2020

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

Credit Ratings

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

Listing on Stock Exchanges

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

Name and address of Stock Exchanges	Stock Code / Symbol
(1) National Stock Exchange of India Limited (NSE) Exchange Plaza, 5 th 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 of the Company: INE998I01010

Stock Performance

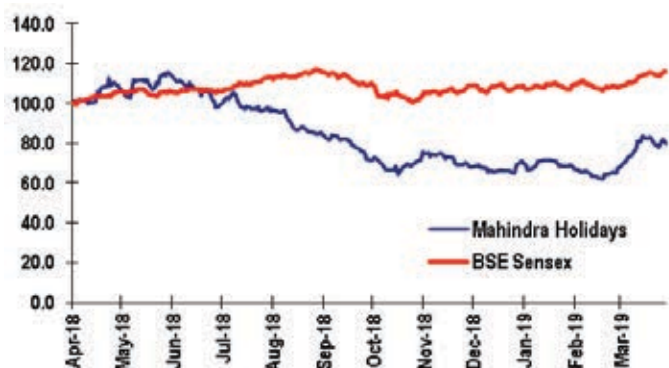
BSE and NSE – Monthly High / Low and Volumes

	National Stock Exchange of India Limited			BSE Limited		
	High (₹)	Low (₹)	Monthly Volume	High (₹)	Low (₹)	Monthly Volume
April, 2018	342.00	292.95	38,73,097	348.50	293.15	9,13,740
May, 2018	352.35	307.05	30,45,319	352.80	307.15	13,30,259
June, 2018	349.90	290.00	10,64,132	350.00	291.05	80,597
July, 2018	318.50	288.00	8,08,548	321.15	288.00	1,22,418
August, 2018	298.00	251.00	20,10,071	299.90	251.15	2,11,159
September, 2018	257.45	208.20	13,88,514	257.20	210.00	1,32,949
October, 2018	224.70	190.25	17,79,785	222.00	191.25	1,97,212
November, 2018	238.00	201.10	12,35,811	236.80	202.00	85,518
December, 2018	214.90	193.05	35,55,459	214.90	193.05	9,13,218
January, 2019	223.00	197.40	20,14,692	222.50	197.00	1,21,970
February, 2019	207.15	185.50	6,39,740	208.55	185.10	87,374
March, 2019	256.00	199.00	17,56,691	256.00	199.80	1,61,823

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

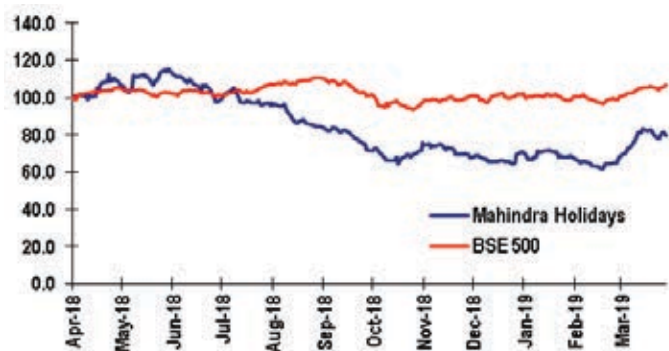
Month	MHRIL's Closing Price on NSE on the last trading day of month (₹)	BSE Sensex at the Close of last trading day of the month	NSE Nifty at the Close of last trading day of the month	BSE 500 Index at the Close of last trading day of the month
April, 2018	327.70	35,160.36	10,739.35	15,047.73
May, 2018	348.35	35,322.38	10,736.15	14,765.69
June, 2018	291.95	35,423.48	10,714.30	14,528.54
July, 2018	289.00	37,606.58	11,356.50	15,314.81
August, 2018	254.70	38,645.07	11,680.50	15,846.20
September, 2018	214.45	36,227.14	10,930.45	14,445.89
October, 2018	214.50	34,442.05	10,386.60	13,881.71
November, 2018	202.00	36,194.30	10,876.75	14,429.00
December, 2018	211.95	36,068.33	10,862.55	14,540.39
January, 2019	205.80	36,256.69	10,830.95	14,285.11
February, 2019	201.30	35,867.44	10,792.50	14,196.80
March, 2019	239.45	38,672.91	11,623.90	15,304.57

Mahindra Holidays' Share Performance versus BSE Sensex



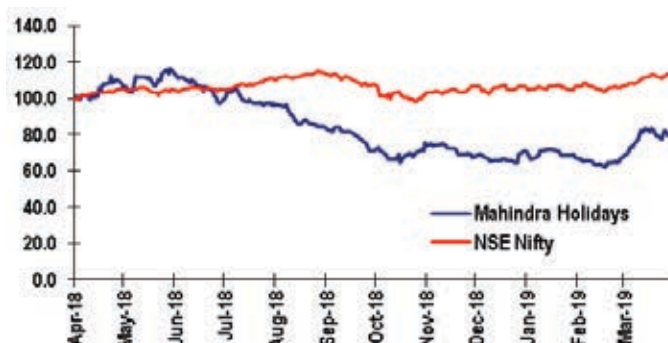
Note: Share price of Mahindra Holidays and BSE Sensex have been indexed to 100 on April 2, 2018

Mahindra Holidays' Share Performance versus BSE 500



Note: Share price of Mahindra Holidays and BSE 500 have been indexed to 100 on April 2, 2018

Mahindra Holidays' Share Performance versus NSE NIFTY



Note: Share price of Mahindra Holidays and NSE NIFTY have been indexed to 100 on April 2, 2018

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, 2019, there are no pending share transfers pertaining to the year under review.

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

Distribution of Shareholding as on March 31, 2019

Category (Shares)	Number of Shareholders	% to Shareholders	Number of Shares	% to shares
1 - 100	23,091	66.48	8,59,242	0.64
101 - 500	8,091	23.29	19,20,858	1.44
501 - 1000	1,710	4.92	12,87,458	0.96
1001 - 5000	1,459	4.20	30,76,118	2.30
5001 - 10000	175	0.50	12,62,015	0.94
10001 - 50000	135	0.39	29,75,225	2.23
50001 - 100000	29	0.08	20,67,763	1.55
100001 & above	43	0.12	12,01,05,105	89.93
Total:	34,733	100.00	13,35,53,784	100.00

Shareholding Pattern as on March 31, 2019

Category of Shareholders	Total Holdings	Holdings in Percentage
Promoters holdings	8,98,90,615	67.31
Foreign Portfolio Investors	74,59,606	5.59
Mutual Funds	1,72,44,167	12.91
Alternate Investment Funds	5,84,829	0.44
Banks, Financial Institutions & others	1,57,682	0.12
Bodies Corporate	19,83,065	1.48
NRIs/OCBs/Foreign Nationals	10,41,650	0.78
ESOP Trust	6,54,040	0.49
IEPF	283	0.00
Clearing Members	35,643	0.03
Indian Public	1,45,02,204	10.86
Total	13,35,53,784	100.00

Dematerialisation of Shares

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

As on March 31, 2019, 99.99 per cent of the paid-up Equity Share Capital is held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The market lot is one share, as trading in the Equity Shares of the Company on exchanges is permitted only in dematerialised form. Non-Promoters' holding is 32.69 per cent.

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

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

Offices of the Company:

Registered Office:

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

Corporate Office:

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

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

Registrar and Transfer Agent

M/s. Karvy Fintech Private Limited
(formerly 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
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 Fintech Private Limited at the above mentioned address in respect of all matters relating to transfer / dematerialisation of shares, payment of dividend and any other query relating to Equity Shares of the Company.

Company Secretary & Compliance Officer

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

Company's Investor E-mail ID

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

Company's website

www.clubmahindra.com

Declaration on Code of Conduct

To

The Members of Mahindra Holidays & Resorts India Limited

I, Kavinder Singh, Managing Director & CEO of Mahindra Holidays & Resorts India Limited declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2019.

Mumbai
May 15, 2019

Kavinder Singh
Managing Director & CEO
DIN: 06994031

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of Mahindra Holidays & Resorts India Limited
No. 17 & 18, 2nd Floor,
Mahindra Towers, Patullos Road,
Chennai – 600 002.

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Arun Nanda	00010029	28/01/1998
2.	Mr. Kavinder Singh	06994031	03/11/2014
3.	Mr. Sanjeev Aga	00022065	18/04/2013
4.	Mr. Cyrus Guzder	00080358	07/08/1998
5.	Mr. V S Parthasarathy	00125299	27/08/2014
6.	Mr. Rohit Khattar	00244040	12/01/2004
7.	Mr. Sridar Iyengar	00278512	30/04/2008
8.	Ms. Radhika Shastri	01787918	27/08/2014

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M. Damodaran & Associates

M. Damodaran

(Practicing Company Secretary)
(FCS No. 5873)
(C.P. No: 5081)

Place: Chennai
Date: 15.05.2019

Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 2018

To the members of

Mahindra Holidays & Resorts India Limited

1. This certificate is issued in accordance with the terms of our agreement dated 13 October 2017 and addendum to the engagement letters dated 16 October 2018 and 25 March 2019.
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 2019 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 and 2018 ('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 with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2019.
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
(ICAI Firm's Registration No: 101248W/W-100022)

Koosai Leherly
Partner
Membership No: 112399

Mumbai, 15 May, 2019

BUSINESS RESPONSIBILITY REPORT FOR THE FINANCIAL YEAR 2018-19

[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, 2 nd Floor, 17/18, Patullos Road, Chennai – 600002
4.	Website	www.clubmahindra.com
5.	E-mail id	investors@mahindraholidays.com
6.	Financial Year reported	April 1, 2018 – March 31, 2019
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Codes 55 – Accommodation 56 – Food & Beverages service activities
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	(i) Sale of vacation ownership membership (ii) Sale of Food and Beverages
9.	Total number of locations where business activity is undertaken by the Company	
	A. Number of International Locations (details of major 5)	The Company is having marketing offices in Dubai & Kenya. Further, the Company manages and operates hotel properties in Kuala Lumpur (Malaysia), Bangkok (Thailand) and Dubai. Holiday Club Resorts Oy, Finland, subsidiary of the Company, is the largest vacation ownership company in Europe, having resorts in Finland, Sweden and Spain.
	B. Number of National Locations	The Company has its business activities and operations spread across the country which includes 56 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 Kenya and United Arab Emirates (through its office located at Dubai). During the year the Company expanded its presence to 8 countries.

Section B: Financial Details of the Company

(₹ in lakhs)

No.	Particulars	Amount
1.	Paid up Capital	13,355.38
2.	Total Turnover*	91,829.15
3.	Total profit after taxes*	6,386.23
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (2%)	411.60
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) skill development, (c) healthcare and sanitation, (d) environmental sustainability (e) protection of national heritage, art and culture, (f) disaster relief and (g) rural development. Further details on CSR Activities are available in Annexure III to the Directors' Report which forms part of the Annual Report.	

* As per Standalone financial statements for the financial year 2018-19

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, 2019.

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

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

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

No

Section D: Business Responsibility (BR) Information

1. Details of Director/Directors responsible for BR

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

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

- b. Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	Not Applicable
2	Name	Mr. Pratik Roy
3	Designation	Senior Advisor - Human Resources
4	Telephone number	+91 22 3368 4722
5	Email ID	Pratik.Roy@mahindraholidays.com

2. Principle-wise (as per NVGs) BR Policy/policies

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

NVG Principle

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 Business should promote the well-being of all employees.
- P4 Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
- P5 Business should respect and promote Human Rights.
- P6 Business should respect, protect and make efforts to restore the environment.
- P7 Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 Businesses should support inclusive growth and equitable development.
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

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

No.	Questions	Ethics and Transparency	Products Responsibility	Wellbeing of 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	(Note 1)	Y
3.	Does the policy conform to any national/international standards? If yes specify(50 words)	Y	Y	Y	Y	Y	Y	NA	Y	Y
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director	Y (Note 2)	Y (Note 2)	Y (Note 2)	Y (Note 2)	Y (Note 2)	Y (Note 2)	Y (Note 2)	Y (Note 2)	Y (Note 2)
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the Policy	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online	Y (Note 3)	Y (Note 3)	Y (Note 3)	Y (Note 3)	Y (Note 3)	Y (Note 3)	Y (Note 3)	Y (Note 3)	Y (Note 3)
7.	Has the policy been formally communicated to all relevant internal and external stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholder's grievances to the Policy/policies	Y	Y	Y	Y	Y	Y	NA	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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

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

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

3. Governance related to Business Responsibility (BR)

Information with reference to BR framework:

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

The CSR and sustainability performance of the Company is presented at the Board and CSR Committee meetings. Mr. Kavinder Singh, Managing Director & CEO of the Company, who is on the Board and also a member of the CSR Committee, assesses the BR performance every quarter.
- (2) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company has been publishing the BR Reports on an annual basis since financial year 2016-17 and the same are available on the website of the Company at www.clubmahindra.com. While no standalone sustainability report is published by the Company, Mahindra Group Sustainability Report (of which the Company is also a part of) as per the GRI framework is published annually. All Sustainability Reports from 2007-08 are accessible on the website of Mahindra & Mahindra at <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 a Code of Conduct for Directors as well as all employees of the Company that covers issues, inter alia, related to ethics, bribery and corruption. It also covers all dealings with suppliers, customers, business partners and other stakeholders. The Code of Conduct for Senior Management and Employees forms an integral part of the induction of new employees.
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

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

During the financial year 2018-19, 6 (six) complaints were received under the Whistleblower mechanism and 4 (four) complaints were received under the Prevention of Sexual Harassment mechanism. Further, the Company has received 8 (eight) complaints from the shareholders during the financial year 2018-19.

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

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

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

The Company endeavours to integrate measures entailing energy and water conservation, waste management, responsible procurement from local and marginalised entrepreneurs, as a part of its business operations. The principles of sustainability are embedded into the various stages of product or service life-cycle, including procurement of raw material, preparation of food products in the resorts, delivery of services and disposal by consumers. The Company also ensures environmental sustainability by building green spaces, responsible use, measures to rejuvenate natural resources and responsible waste management.

The Company promotes renewable energy and has undertaken many energy saving initiatives at the resorts to ensure responsible use of natural resources while conducting business activities.

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 identifies the significant environment aspects arising from the activities and adopt mitigation plan to minimise the impact to the extent possible. 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 appearance of a Green Building will be similar to any other building. However, the difference is in the approach, which

revolves round a concern for extending the life span of natural resources, provide human comfort, safety and productivity. This approach results in reduction in operating costs like energy and water, besides several intangible benefits.

The Company has taken measures to further conserve energy and water by installation of solar power plants, energy efficient machines and deployment of biogas plants and compost machines for recycling dry and wet garbage respectively. The Company has also invested in equipment upgrades like LED lighting, highly-efficient heat pumps, installation of Internet of Technologies based energy management system and Sewage Treatment Plant (STP), water quality monitoring and improvement system and variable frequency drives at its various resorts.

The Company has also committed itself to the Science Based Target Initiative, which requires it to reduce greenhouse gas ('GHG') emissions in line with targets necessary to limit global temperature rise to below two degrees Celsius. Replacement of diesel hot water generator with energy efficient heat pumps helped in eliminating the use of diesel. Flow restrictors in plumbing fixtures enabled the reduction in water consumption by 10%. 50% of total water consumed and wet waste produced by the resorts was recycled during the year under review.

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 ensures that whatever products purchased are environment friendly products. All the items used in the rooms at every resort are plastic free and biodegradable products.

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

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

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

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

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

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

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.

During the year, the Company embarked on the 'Zero Waste to Landfill' program with a pilot project at its Virajpet resort. The Virajpet resort in Coorg, Karnataka became India's first Zero Waste to Landfill (ZWL) resort.

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

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

1. Please indicate the Total number of employees.: 5,439
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis: 1,024
3. Please indicate the Number of permanent women employees: 1,020
4. Please indicate the Number of permanent employees with disabilities: 63
5. Do you have an employee association that is recognized by management: N.A.
6. What percentage of your permanent employees is members of this recognized employee association? N.A.
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?
 - (1) Permanent Employees: 83%
 - (2) Permanent Women Employees: 100%
 - (3) Casual / Temporary / Contractual Employees: 77%
 - (4) Employees with disability: 100%

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

1. Has the company mapped its internal and external stakeholders?
Yes/No: Yes, the Company has mapped its internal and external stakeholders.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders:
Yes, the Company has identified disadvantaged, vulnerable and marginalized stakeholders. These include underprivileged, rural communities, marginalized youth

and women, socially and economically backward groups and such other groups, around the resorts' locations.

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 focus is on creating long-term benefits to the society through various initiatives. The CSR Policy makes it a point to focus attention on the disadvantaged segments of the society and directs the CSR efforts to change their lives. The Company has implemented mechanisms to facilitate effective dialogues with all stakeholders across businesses, identify material concerns and provide resolution in an equitable and transparent manner. These collaborative partnerships with communities are manifest in the Company's CSR programmes such as enhancing employability through skill development training and awareness amongst women and youth, rural development, providing a facelift to rural schools and disaster relief measures. Further details of special initiatives taken by the Company on this front are provided under Principle 8 in this Report.

Principle 5: Businesses should respect and promote human rights

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

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

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

During the financial year 2018-19, 6 (six) complaints were received under the Whistleblower mechanism and 4 (four) complaints were received under the Prevention of Sexual Harassment mechanism. Further, the Company has received 8 (eight) complaints from the shareholders during the financial year 2018-19.

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

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

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

With the increasing population and scarcity of natural resources, it has become imperative to use natural resources carefully, minimize damage to the environment and ensure that these resources are available for the future generations. The Company has various policies related to environmental protection. The Environment, Health and Safety Policy and Responsible Sourcing Policy provides the necessary direction towards climate change mitigation and adaptation efforts as well as natural resource replenishment initiatives. The Company's policies are in sync with the Mahindra Group environmental policies. The ideology for Environmental Sustainability is reflected in the rigor and strategic thinking across the organization.

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

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

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

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

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

The Company continually strives to conserve energy and improve the efficiency of water utilization across

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

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

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

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

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

Yes

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

None

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

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

Yes. They are:

- (a) All India Resort Development Association (AIRDA)
- (b) Bombay Chamber of Commerce and Industry
- (c) The Federation of Hotels and Restaurants Association of India

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

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

Principle 8: Businesses should support inclusive growth and equitable development

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

The Company's CSR programmes are guided by the Board approved CSR Policy. The Company's CSR Policy outlines its approach towards social agendas. The Company undertakes programmes through which it reaches out to communities around its resorts (interior areas). The Company's high impact social development projects are aimed at safeguarding the environment, promoting education, healthcare and sanitation, creating livelihood opportunities, supporting rural development, relief and rehabilitation and protection of national heritage, art and culture.

The Company's CSR team is responsible for administering the CSR programmes implemented through NGO's having domain expertise in the area of intervention and location geography along with the implementing agencies. The Company has taken initiatives towards understanding and addressing social impacts through volunteer programmes and structured CSR projects.

Girl Child Education (Nanhi Kali Project) & Skill Development

The Company encourages girl child education for which the Company has been regular donors to K C Mahindra Trust wherein it allocates 50% of the Company's CSR budget for the Nanhi Kali project. Through project Nanhi Kali, the Company helps educate underprivileged girl children from socially and economically marginalized families living in urban, rural and tribal parts of India. This is a national sponsorship program which provides academic and material support to disadvantaged girls so that they can complete their education with dignity. It is jointly managed by K. C. Mahindra Education Trust and Naandi Foundation. The Company's contribution has helped the NGOs to support the education of 5,156 girls for the academic year 2018-19.

Academic support is provided in terms of an extra study class which is conducted either before or after school hours in the school itself through the Academic Support Centre. These classes help to bridge the gaps in learning achievements and enable children to reach their grade specific competency level. The classes are conducted by "Community Associates" selected from within the community with the vision that they would be the local resource to act as friends and mentors to the children and at the same time stroking community interest and proactive action for quality education. The teaching strategy is based on cooperative and reflective learning where the focus is on enabling learning rather than on teaching. Material support consists of an education kit comprising of school bag, stationery, books, notebooks, undergarments, shoes and hygiene materials which is ceremonially handed over to every individual Nanhi Kali at a colourful function. It also serves as a platform to sensitize the community on the importance of girl's education.

The Company also collaborated with the organization SEWA Bharat and started the SEWA Mahindra National Resource Centre at Mussorie and Binsar to enhance employability through Skill Development and career counselling to women & youth. These centres provide vocational courses in Hospitality & Housekeeping, Beauty & Wellness, Garment making to the beneficiaries. Till date, over 1,500 youth have been mobilised and training has been provided to 157 youth in Mussorie and 75 youth in Binsar respectively.

As a part of skill development initiatives, more than 100 youths from Mahindra Pride School were provided on job training during the financial year 2018-19, of which most belonged to the marginalised communities, thus contributing to the Company's affirmative action commitment.

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

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

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

opportunities and improve the overall socio-economic condition of community artists through their traditional art and culture in order to improve their quality of life.

Environmental Sustainability

To rejuvenate the environment, the Company planted 38,002 trees across 35 resort locations during the financial year 2018-19 as a part of 'Mahindra Hariyali' – an initiative of Mahindra Group for tree plantation – taking the total trees planted to 344,192 since the beginning of the project in 2010-11.

Under the campaign 'Phenk Mat Mumbai', the Company along with the organisation Centre for Social Change and Behavior Change Communication aims to create awareness and educate youth in Mumbai on cleanliness, hygiene and good sanitation practices and also encourage them to implement the same through a variety of activities and awareness drives. Till date, over 2 lakhs children have been reached out through this initiative.

The Company provided support to the drought prone areas of Maharashtra, to overcome the water scarcity issues in affected villages. Through the Government of Maharashtra, the Company has provided water storage tanks to villages to solve problems related to water and improve the health of the community. This facility will play an important role in reducing the problem of water supply in the villages and in turn improve the sanitation and quality of life of people. The Company has also installed solar street lights in few villages around a few resorts. This was initiated in areas that are either dimly lit or have no electrification.

The Company also carried out flood relief operations in disaster-affected areas of Kerala and Kodagu where the Company stepped in with resources, manpower and logistical support to provide on-ground relief and rehabilitation to assist people in the flood-impacted regions.

In support of the Swachh Bharat Abhiyan initiative of the Government of India, the Company's employees conducted cleanliness drives at public places around its resorts and branches. Over 1,400 employees of the Company put in 3,400 hours in cleanliness initiatives that were organized around the resorts, neighboring schools, beaches, highways, etc.

Rural development

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

households to have access to and use toilets to fulfil their basic right to sanitation. The Company has also supported rural livelihood by providing apiculture support to 100 individuals of Surlabi, Mutlu and Hammiyala villages in Kodagu, Karnataka.

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

The Company's CSR programmes/projects are implemented by the in-house CSR team, HR teams across resorts and employee volunteers in partnership with NGOs and Government associations across its locations.

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

The Company's direct involvement at the site level enables it to constantly assess and monitor its initiatives. The assessments are done internally through the in-house team and the implementing agency with whom the Company has partnered with. For the CSR programmes launched last year, impact assessment will be initiated after two years.

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 ₹ 411.60 lakhs during the financial year 2018-19. Details of the major projects undertaken under CSR Activities of the Company are available in Annexure III to Directors Report which forms of this Annual Report.

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

The CSR programmes have been committed towards ensuring community development and have taken numerous initiatives with NGOs in the field of education, healthcare and sanitation, creating livelihood opportunities, supporting rural development, relief and rehabilitation and protection of national heritage, art and culture. These initiatives are targeted mainly towards the disadvantaged and marginalised communities. The Company involves the community in decision-making process right from problem identification through planning and implementation. Advocacy and sustainability through engaging with the Government at the local level and the community is an essential built in feature of the projects. The extensive engagement with the community establishes joint ownership of projects. Projects are implemented with active participation of the communities and progress is jointly evaluated with the community representatives. Regular monitoring and verification are conducted by teams to ensure that

initiatives implemented are sustained. While feedback provided by the community is incorporated and the 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 focused on making it convenient for its customers to voice out their concerns and accordingly, a well-established escalation matrix has been published on its website. The Company has a robust mechanism of tracking customer complaints and tracks negative feedback across all possible touch points including voice, email, digital and direct walk-ins. The Company has launched a servicing platform on its mobile app through which customers can raise their service requests and concerns. The Company also tracks social media and customer complaints on any platform and the same are picked up instantly. All customer complaints are attended to with utmost sincerity and the Company focusses on addressing and reducing the complaints. Of the total customer complaints, 1.2% were pending at the end of the financial year 2018-19.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

Since the Company is not into manufacturing of products, the requirement of displaying product labeling is not applicable to its service offerings directly to its

vacation ownership members/guests. However, the information relating to the entitlement, benefits, usage terms etc. of the vacation ownership membership are detailed in the Membership Rules stated in the Member Application Forms. In addition to that, the Company's resorts have various activities listed at the resorts, which can be enjoyed after complying with appropriate safety measures.

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

None

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

Being a long-term relationship & experiential product, the Company monitors vacation ownership members' loyalty by adopting a 360-degree approach towards member surveys/feedbacks. Feedbacks are collected across all key lifecycle touch points, post every transaction of the member with the brand. Every feedback also has supplementary questions that guide the Company to understand positive & negative experiences and act accordingly. The Company also captures sentiments behind the members' comments on the various feedback forms and acts on it regularly. The Company's Customer As Promoter Scores (CAPS) score was 66 per cent at the end of financial year 2018-19. An organization's score of above 50 is considered exceptional based on this methodology.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Mahindra Holidays & Resorts India Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Description of Key Audit Matter

I) Revenue recognition in accordance with Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)	
See notes 3 (B), 29 and 47 to the standalone financial statements	
The key audit matter	How the matter was addressed in our audit
<p>Company has a unique business model and revenue consists of numerous individual transactions</p> <p>Pursuant to application of Ind AS 115 from 1 April 2018, (a) the membership fees and (b) incremental costs to obtain a contract with a customer, are recognised over the effective membership period. The previous accounting standard permitted upfront recognition of the non- refundable admission fees on sale of membership.</p> <p>The application of the new accounting standard on revenue recognition, involves certain judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and the appropriateness of the basis used to recognize revenue over a period.</p>	<p>Our audit procedures included following:</p> <ul style="list-style-type: none"> - Evaluating and determining the appropriate accounting policy in accordance with Ind AS 115 for membership contracts entered with customers - Evaluating and testing the identification of expenses incurred by the Company, which can get classified as incremental costs of acquisition. - Obtaining the computation for the prior year adjustments for revenue and incremental costs of acquisition, required on transition to Ind AS 115. Testing the computation of the revenue as per Ind AS 115 for past membership contracts on a sample basis (using statistical sampling). - Evaluating the process followed by the management and evaluating the data used for the purpose of identifying and determining the effective membership period after considering breakage i.e customer's unexercised rights and comparing the basis with historical experience of utilization of memberships.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

I) Revenue recognition in accordance with Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)
See notes 3 (B), 29 and 47 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>Incremental costs are those that would not have been incurred if the contract was not obtained.</p> <p>The management has applied significant judgement in identifying the expenses which can be treated as incremental cost of acquiring new members.</p> <p>The value of the transition adjustment to Ind AS 115 together with the level of judgement involved make its accounting treatment a significant matter for our audit.</p>	<ul style="list-style-type: none"> - Evaluating the process followed by the management and evaluating the data used for the purpose of deferral of revenue due to uncertainty of collection based on historical trends and considering factors impacting future collections. - Testing the new processes and controls instituted for recognition of revenue and incremental costs of acquisition, over the effective membership period. Involving our IT specialists to test the relevant changes in the IT system for recording revenue and incremental costs of acquisition as per Ind AS 115. - Assessing the adequacy of the Company's disclosures (note 47) in accordance with the requirements of Ind AS 115.

II) Property, plant and equipment (change in accounting policy)
See note 3 (A) and 4 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Company has changed its accounting policy with respect to measurement of freehold land. According to the revised policy, freehold land will be revalued and measured at fair value, based on periodic valuation done by external independent valuer.</p> <p>Significant judgement is required by the valuer in determining the fair value of freehold land. Company owns many land parcels in different jurisdictions.</p> <p>The value of impact of this change in policy for measurement of freehold land together with the level of judgement involved, make its accounting treatment a significant matter for our audit.</p>	<p>Our audit procedures included following:</p> <ul style="list-style-type: none"> - Evaluating and determining the appropriate accounting for change in policy from cost model to revaluation model for freehold land. - Evaluating and testing the objectivity and competence of the management's external expert, involved in fair valuation of the land parcels. - Evaluating the valuation report received from the management's external valuation experts and assessing the work performed by them, including the valuation methodology for each land parcel, along with key judgements made in determining the fair values. - Involving our internal valuation specialists to consider and evaluate the appropriateness of the valuation methodology applied. - Assessing the adequacy of the Company's disclosures (note 3(A)) in respect of the change in accounting policy for measurement of land.

III) Contingent liabilities

See note 37 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Company has significant tax litigations for both direct and indirect taxes.</p> <p>There is a high level of judgement required in estimating the level of provisioning and appropriateness of disclosure of those litigations in the financial statements.</p> <p>The value of the litigations together with the level of judgement involved make its accounting treatment a significant matter for our audit.</p>	<p>Our audit procedures included following:</p> <ul style="list-style-type: none">- Reviewing the list of outstanding litigation against the Company.- Inquiring and obtaining explanation for movement during the year.- Reading the latest correspondence between the Company and the various tax/legal authorities for significant matters for evaluation.- Discussing the status of significant litigation with the Company's senior management personnel and assessing their responses.- Review external opinions if any, obtained by the management of the Company from external advisors.- Involving our tax specialists, and discussing with the Company's tax officers, their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws.- Assessing the decisions and rationale for provisions made or for decisions not to record provisions or make disclosures.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes

in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the

disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors

is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act; and

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note no. 37 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified

bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

- (C) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Koosai Leheri
Partner
(Membership No. 112399)

Mumbai, May 15, 2019

Annexure A to the Independent Auditor's Report - 31 March 2019

(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 2019	Net Block as at 31 March 2019	Remarks
1	3	Freehold land	680,450,168	680,450,168	Received on merger of the erstwhile Companies. Company is in the process of transferring the title deeds.
2	3	Building	524,450,438	444,783,098	Received on merger of the erstwhile Companies. Company is in the process of transferring the title deeds

- ii. The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to the loans given, investments made, guarantees given and security provided.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us, having regard to the nature of the Company's business/activities, paragraph 3(vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and services tax, Provident fund, Employees' state insurance, Income-tax, Sales-tax, Luxury tax, Value added tax, Duty of customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and services tax, Provident fund, Employees' state insurance, Income-tax, Sales-tax, Luxury tax, Value added tax, Duty of customs, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which amount relates	Amount* (₹ in Lakhs)
Income Tax Act, 1961	Income tax, Interest and Penalty	High Court	AY 1999 to 2011	31,251
Income Tax Act, 1961	Income tax, Interest and Penalty	ITAT	AY 2010 AY 2012 to 2016	42,212
Income Tax Act, 1961	Income tax, Interest and Penalty	Commissioner of Income Tax- Appeals	AY 2017	9,929
Finance Act, 1994	Service Tax, Interest and Penalty	Appellate Authorities	FY 2005 to 2014	3,926
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
		Appeallate Commissioner	FY 2010 to 2016	3,101
		High Court	FY 2012 to 2015	1,706
Uttarakhand Luxury Tax Act	Luxury Tax	Appeallate Commissioner	FY 2013	34
Maharashtra Luxury Tax Act	Luxury Tax	Commissioner of Commercial taxes	FY 2013 to 2014	42
Rajasthan Luxury Tax Act	Luxury Tax	High Court	FY 2011 to 2017	1,763
Rajasthan Value Added Tax Act	Value Added Tax	High Court	FY 2015 to 2017	15

* net of amounts paid under protest.

- viii. According to the information and explanations given to us, and based on the records of the Company, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowing from financial institutions or government or debenture holders during the year.
- ix. According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- x. According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. According to information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Koosai Leherly
Partner
(Membership No. 112399)

Mumbai, May 15, 2019

Annexure B to the Independent Auditor's report on the standalone financial statements of Mahindra Holidays & Resorts India Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1 (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Holidays & Resorts India Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note

require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)

provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

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

Mumbai, May 15, 2019

Koosai Leheri
Partner
(Membership No. 112399)

STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note No.	As At March 31, 2019	As At March 31, 2018
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	179,322.41	84,851.59
Capital work-in-progress		21,818.13	10,848.60
Other intangible assets	5	605.65	981.26
Intangible assets under development		400.11	92.61
Financial Assets			
Investments			
Investments in subsidiaries	6	9,532.75	9,532.75
Other Investments	6	383.23	373.18
Trade receivables	7	56,142.51	46,396.43
Loans	8	4,663.84	4,282.94
Other financial assets	9	1,383.98	2,902.23
Deferred Tax Assets (Net)	10(a)	64,956.64	1,348.23
Other non-current tax assets (Net)	11(a)	16,705.65	11,780.37
Deferred Acquisition Cost	11(b)	64,283.21	-
Other non-current assets	11(c)	4,294.59	3,533.33
		424,492.70	176,923.52
Current assets			
Inventories	12	562.73	633.49
Financial Assets			
Investments	13	31,183.08	44,468.76
Trade receivables	14	105,948.77	96,999.59
Cash and cash equivalents	15	2,625.22	2,388.43
Other bank balances	16	98.68	106.58
Loans	17	3,539.22	2,302.74
Other financial assets	18	27,514.03	1,406.04
Deferred Acquisition Cost	19 (a)	4,559.42	-
Other current assets	19 (b)	4,434.29	3,547.94
		180,465.44	151,853.57
		604,958.14	328,777.09
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	13,289.98	13,275.95
Other equity	21		
Reserves & Surplus		63,770.62	63,253.21
Revaluation Reserve		73,759.44	-
Other Comprehensive Income		(93.28)	(84.60)
Transition Difference		(121,044.68)	-
		16,392.10	63,168.61
		29,682.08	76,444.56
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Other financial liabilities	22	694.24	281.69
Provisions	23	578.68	724.34
Deferred Tax Liabilities	10(b)	22,401.70	-
Other non-current liabilities			
Contract Liability-Deferred Revenue	24	476,633.26	204,424.02
		500,307.88	205,430.05
Current liabilities			
Financial Liabilities			
Trade payables	25		
Total outstanding dues of micro enterprises and small enterprises; and		61.11	59.69
Total outstanding dues of creditors other than micro enterprises and		16,328.31	12,607.45
small enterprises			
Other financial liabilities	26	8,250.98	7,297.95
Provisions	27	549.41	338.49
Other current liabilities			
Contract Liability-Deferred Revenue	28(a)	47,298.51	24,425.91
Others	28(b)	2,479.86	2,172.99
		74,968.18	46,902.48
		604,958.14	328,777.09

 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 Leherly
 Partner
 Membership Number: 112399
 Place: Mumbai
 Date: May 15, 2019

For and on behalf of the Board of Directors

Arun Nanda
 Chairman
 DIN: 00010029
Akhila Balachandrar
 Chief Financial Officer

 Place: Mumbai
 Date: May 15, 2019

Kavinder Singh
 Managing Director & CEO
 DIN: 06994031
Dhanraj Mulki
 Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
Revenue			
Revenue from operations	29	91,829.15	106,418.57
Other income	30	4,514.70	3,000.46
Total Revenue		96,343.85	109,419.03
Expenses			
Employee benefits expense	31	24,849.96	24,284.05
Finance costs	32	2.19	4.86
Depreciation and amortisation expense	4 & 5	5,140.50	5,479.55
Other expenses	33	56,333.96	58,935.25
Total Expenses		86,326.61	88,703.71
Profit before tax		10,017.24	20,715.32
Tax expense			
Current tax	34	2,201.66	6,558.88
Deferred tax	34	1,429.35	720.57
Total tax expense		3,631.01	7,279.45
Profit after tax		6,386.23	13,435.87
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit asset		(13.34)	(109.44)
Freehold land revaluation		96,339.40	-
Income taxes related to items that will not be reclassified to profit or loss		(22,404.86)	37.87
Net other comprehensive income not to be reclassified subsequently to profit or loss		73,921.20	(71.57)
Total comprehensive income for the year		80,307.43	13,364.30
Earnings per equity share :			
(face value of ₹ 10 per share)			
Basic	35	4.81	10.14
Diluted	35	4.80	10.10

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 Leherly
Partner
Membership Number: 112399
Place: Mumbai
Date: May 15, 2019

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Akhila Balachandar
Chief Financial Officer

Place: Mumbai
Date: May 15, 2019

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Dhanraj Mulki
Company Secretary

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax for the year	10,017.24	20,715.32
Adjustments for:		
Finance costs	2.19	4.86
Interest income	(1,430.59)	(708.50)
Dividend income	(31.84)	(177.81)
Depreciation and amortisation of non-current assets	5,140.50	5,479.55
Net (Gain)/Loss on disposal of property, plant and equipment	167.15	62.96
Net foreign exchange (gain)/loss	32.49	(228.97)
Net Gain on sale of investment	(735.51)	(363.79)
Net Gain on Investments carried at FVTPL	(2,006.90)	(1,229.39)
Equity-settled share-based payments	148.45	272.06
	<u>1,285.94</u>	<u>3,110.97</u>
Operating profit before working capital changes	11,303.18	23,826.29
Movements in working capital:		
Decrease / (Increase) in trade and other receivables	5,051.46	(3,911.28)
Decrease / (Increase) in inventories	70.76	(40.10)
Increase in trade and other payables	762.58	607.25
Increase in provisions	65.26	25.79
Increase in deferred revenue	18,589.60	19,367.93
Increase in other liabilities	1,367.89	867.78
	<u>25,907.55</u>	<u>16,917.37</u>
Cash generated from operations	37,210.73	40,743.66
Income taxes paid	(7,160.65)	(7,561.49)
NET CASH GENERATED FROM OPERATING ACTIVITIES	30,050.08	33,182.17
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Interest received	193.48	334.81
Dividend income	31.84	177.81
ICD given to related parties	(1,600.00)	(1,003.00)
ICD repayments by related parties	348.55	3,325.30
Placement of fixed deposit and other deposits	(25,150.00)	(72,508.09)
Proceeds from maturity of Deposits	1,250.00	70,508.09
Payments for property, plant and equipment and intangibles	(15,033.29)	(7,821.04)
Proceeds from disposal of property, plant and equipment	331.99	13.36
Proceeds from disposal of investment	63,224.89	45,155.92
Investment in subsidiary	-	(1,532.14)
Purchase of investment	(47,164.96)	(78,150.00)
NET CASH USED IN INVESTING ACTIVITIES	(23,567.50)	(41,498.98)

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of equity share capital	193.60	585.60
Proceeds from borrowings	3,813.94	7,348.90
Repayment of borrowings	(3,813.94)	(7,348.90)
Dividends paid to owners of the Company (Including Dividend Distribution Tax)	(6,437.20)	(5,346.03)
Interest paid	(2.19)	(4.86)
NET CASH (USED IN) /GENERATED FROM FINANCING ACTIVITIES	(6,245.79)	(4,765.29)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	236.79	(13,082.10)
Cash and cash equivalents at the beginning of the year	2,388.43	15,470.53
Cash and cash equivalents at the end of the year (Refer Note no. 15)	2,625.22	2,388.43

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 Leherly
Partner
Membership Number: 112399
Place: Mumbai
Date: May 15, 2019

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029
Akhila Balachandar
Chief Financial Officer

Place: Mumbai
Date: May 15, 2019

Kavinder Singh
Managing Director & CEO
DIN: 06994031
Dhanraj Mulki
Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Statement of Changes in Equity

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Share Capital	Reserves & Surplus					Other Equity			Total
		Capital Reserve	Securities Premium Reserve	General Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Retained Earnings	Revaluation Reserve	Other Comprehensive Income Actuarial Gain / (Loss)	
Balance at the beginning of the reporting year - April 1, 2018	13,275.95	44.75	10,067.68	10,381.68	1,117.45	145.80	41,495.85	-	(84.60)	76,444.56
Profit for the year	-	-	-	-	-	-	6,386.23	-	-	6,386.23
Additions during the year	-	-	-	-	148.45	-	-	-	-	148.45
Fresh Issue of shares	11.00	-	182.60	-	-	-	-	-	-	193.60
Issue of shares by ESOP Trust	3.03	-	62.11	-	-	-	-	-	-	65.14
Revaluation of Freehold Land	-	-	-	-	-	-	-	73,937.70	-	73,937.70
(Refer Note no. 3(A))(Net of Taxes)	-	-	-	-	-	-	178.26	(178.26)	-	-
Sale of Land	-	-	-	-	-	-	-	-	-	-
Impact on account of transition to Ind AS 115 (Refer Note no. 3(B))	-	-	-	-	-	-	-	-	-	(121,044.68)
OCI component of actuarial gains/(losses) (Net of Taxes)	-	-	-	-	-	-	-	-	(8.68)	(8.68)
Dividends (including Dividend Distribution Tax)	-	-	-	-	-	-	(6,440.24)	-	-	(6,440.24)
Balance at the end of the reporting year - March 31, 2019	13,289.98	44.75	10,312.39	10,381.68	1,265.90	145.80	41,620.10	73,759.44	(93.28)	29,682.08

Particulars	Share Capital	Reserves & Surplus					Other Equity			Total
		Capital Reserve	Securities Premium Reserve	General Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Retained Earnings	Revaluation Reserve	Other Comprehensive Income Actuarial 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)	-	-	-	-	-	-	-
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 (including Dividend Distribution Tax)	-	-	-	-	-	-	(5,346.03)	-	-	(5,346.03)
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

In terms of our report attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

Koosai Lehey

Partner

Membership Number: 112399

Place: Mumbai

Date: May 15, 2019

For and on behalf of the Board of Directors

Arun Nanda

Chairman

DIN: 00010029

Akhila Balachandrar

Chief Financial Officer

Place: Mumbai

Date: May 15, 2019

Kavinder Singh

Managing Director & CEO

DIN: 06994031

Dhanraj Mulki

Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1 Corporate Information

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

2(a) Significant accounting policies

(i) Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

(ii) Basis of preparation and presentation

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

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

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

(iii) Revenue recognition

a. Revenue from sale of Vacation Ownership

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

The Company has adopted Ind AS 115, Revenue from Contracts with Customers (which replaces earlier revenue recognition standards) using the cumulative effect method (without practical expedients), the effect of which is recognised at the date of initial application (i.e. April 1, 2018) and has been stated as transition difference in Other equity.

Revenue from Membership fees

Under Ind AS 115- The Company will recognise the membership fees over the tenure of membership as the performance obligation is fulfilled over the tenure of membership (33 years / 25 years / 10 years or any other tenure applicable to the respective member). The Company will recognise revenue on a straight line basis over the tenure of membership after considering the expected customer unexercised rights from date of admission of each member. The revenue which will be recognised in future periods are disclosed under other liabilities – contract liability - deferred revenue-vacation ownership. Revenue from consumer offers and other benefits provided on membership are recognized as and when such benefits are provided to members at its respective fair value.

Discounts and other incentives provided to the customer's are reduced from the overall contract value. Incremental costs of acquisition of the members are deferred over the period of effective membership in line with revenue deferral. Incremental costs are those that would not have been incurred if the contract was not obtained. Such cost which will be amortised in the future period are disclosed under deferred acquisition cost.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

In the previous year under Ind AS 18 - Admission fee was 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, was 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 – Contract Liability - Deferred revenue.

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

Under Ind AS 18, 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.

Under Ind AS 115, interest revenue is recognised only to the extent that a contract asset (or receivable) or a contract liability is recognised in accounting for a contract with the customer. Also refer accounting policy for financial instruments (note no xv)

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue with respect to installments/contracts where there is an uncertainty about collectability, is deferred (even though the membership is not cancelled). The estimation of such revenues where there is uncertainty in collection has been made by the Company based on past trends of year-wise cancellation of memberships and considering factors impacting future collections.

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

(iv) Leases

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 (₹), 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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; 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 period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to Share options outstanding account in Reserves & Surplus.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
(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. Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax

are also recognized in other comprehensive income or directly in equity respectively.

(x) Property, plant and equipment (PPE)

Buildings held for use in the supply or production of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is valued at Fair value based on valuations by external independent valuers at sufficient regularity. Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the revaluation reserve.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

PPE in the course of construction for supply, production or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees, other directly attributable expenses and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Category of Asset	Estimated useful lives
Leasehold Building	Period of lease
Buildings (other than those mentioned below)	30 - 60 years
Floating cottages (grouped under buildings)	25 years
Plant & equipment	5 - 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

(xi) **Intangible assets**

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Category of Asset	Estimated useful lives
Computer Software and website development cost	3 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in statement of profit and loss when the asset is derecognized.

(xii) **Impairment of tangible and intangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified,

corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in statement of profit and loss.

(xiii) **Inventories**

Inventories are carried at the lower of cost and net realizable value. Costs of inventories are determined on moving weighted average basis. Cost includes the purchase price, non-refundable taxes and delivery handling cost. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(xiv) **Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

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

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

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(xvi) Financial assets

A financial asset is any asset that is:

(a) cash;

(b) an equity instrument of another entity;

(c) a contractual right:

(i) to receive cash or another financial asset from another entity; or

(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the Company; 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)":

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Interest income is recognized in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

A debt instrument that meets the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Debt instruments classified as FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The Company has not designated any debt instrument as at FVTPL.

Equity

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Equity instruments at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend earned on the financial asset and is included under 'Other income'. Dividend on financial assets at FVTPL is recognized when the Company's right to receive the dividends

is established and the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Investments in equity instruments of subsidiaries, joint ventures and associates are measured at cost.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, and other contractual rights to receive cash or other financial asset not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses considering the nature of industry and the deferred payment schemes operated.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in statement of profit and loss.

(xviii) Cash flow statements

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash

and which are subject to insignificant risk of changes in value.

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

(xix) Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

(xx) Insurance Claims

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

(xxi) Operating cycle

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

2(b) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the management is required to make judgements, estimates and assumptions about

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 under development in accordance with the accounting policy. Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed.

d. Life time Expected credit losses

Life time expected credit loss allowance is computed based on historical credit loss experience and adjusted for forward-looking information on collection.

e. Estimation towards revenue deferred due to uncertainty of collection

The quantum of revenue deferred due to uncertainty of collection is computed based on past trends of year-wise cancellation of memberships and considering factors impacting future collections.

f. Significant financing component

Given the nature of vacation ownership business, the Company has determined that membership fee does not include a significant financing component. Where the payment is received in installments, the Company charges appropriate interest to the members.

g. Customer unexercised rights

The Company considers the expected Customers unexercised rights, while determining the effective membership period over which the membership fee needs to be recognised. This customer unexercised right is computed based on past trend of customer utilisation of membership.

h. Litigation for taxation matters

The company is subject to tax litigation, the outcome of which is subject to many uncertainties inherent in litigation such as interpretation of legislation, outcome of appeals etc. Litigation provisions are reviewed at each accounting period and revisions made for the change in facts and circumstances.

i. Fair valuation of Freehold land

Freehold land is measured at Fair value based on valuations by external independent valuers using the market approach at sufficient regularity.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
3 Changes in significant accounting policies
A) Revaluation of freehold land

As at September 30, 2018, the Company has changed its accounting policy with respect to measurement of freehold land. According to the revised policy, freehold land is revalued and measured at fair value, based on periodic valuation done by external independent valuer using market approach. Any revaluation surplus is recorded in OCI and credited to Revaluation reserve in other equity. This revaluation surplus is not available for distribution to shareholders.

Particulars	(₹ in Lakhs)
Revaluation surplus as at March 31, 2019	96,161.14
Deferred tax on the above revaluation	(22,401.70)
As at March 31, 2019	73,759.44

The carrying amount of freehold land as at March 31, 2019 under cost and revaluation model are given below:

Block of asset	Revaluation Model (₹ in Lakhs)	Cost Model (₹ in Lakhs)
Freehold Land	112,875.64	16,714.49

B) Adoption of IND AS 115 - Revenue from Contracts with Customers

This is the first set of the Company's annual financial statements in which Ind AS 115 Revenue from Contracts with Customers have been applied. Changes to significant accounting policies are described below;

The Company has applied the modified retrospective approach as per para C3(b) of Ind AS 115 to contracts that were not completed as on April 1, 2018 and the cumulative effect of applying this standard is recognised at the date of initial application i.e. April 1, 2018 in accordance with para C7 of Ind AS 115 as an adjustment to the other equity. The transitional adjustment in standalone books of ₹ 121,044.68 Lakhs (net of deferred tax) has been stated as Transition Difference under other equity based on the requirements of the Ind AS 115. Due to the application of Ind AS 115, membership fees and incremental cost to obtain and/or fulfill a contract with a customer, as applicable, is recognised over the effective membership period. The previous standard permitted the upfront recognition of the non refundable admission fees on sale of membership.

Accordingly, the information presented for FY 2017-18 has not been restated, hence the figures are not comparable to that extent – i.e. it is presented, as previously reported, under Ind AS 18 and related interpretations. Additionally, the disclosure requirements in IND AS 115 have not generally been applied to comparative information.

The cash flow statement has been prepared using the indirect method after adjusting the opening balance sheet as at 1st April 2018 for the impact of Ind AS 115.

The following tables summarise the impacts of adopting Ind AS 115 on the statement of financial position as at 31st March 2019 and its statement of profit or loss and OCI for the year then ended for each of the line items affected.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

(₹ in Lakhs)

	Particulars	As at 31-Mar-19			As at 31-Mar-18
		As reported	Impact of Ind AS 115	Amount without adoption of Ind AS 115	Amount without adoption of Ind AS 115
A	ASSETS				
	Non-current assets				
	Property, Plant and Equipment	179,322.41	-	179,322.41	84,851.59
	Capital work-in-progress	21,818.13	-	21,818.13	10,848.60
	Other intangible assets	605.65	-	605.65	981.26
	Intangible assets under development	400.11	-	400.11	92.61
	<i>Financial Assets</i>				
	Investments				
	Investments in subsidiaries	9,532.75	-	9,532.75	9,532.75
	Other Investments	383.23	-	383.23	373.18
	Trade receivables	56,142.51	(5,543.82)	50,598.69	46,396.43
	Loans	4,663.84	-	4,663.84	4,282.94
	Others	1,383.98	-	1,383.98	2,902.23
	Deferred Tax Assets (Net)	64,956.64	(69,953.18)	(4,996.54)	1,348.23
	Other non-current Tax Assets (Net)	16,705.65	-	16,705.65	11,780.37
	Deferred Acquisition Cost	64,283.21	(64,283.21)	-	-
	Other non-current assets	4,294.59	-	4,294.59	3,533.33
		424,492.70	(139,780.21)	284,712.49	176,923.52
	Current assets				
	Inventories	562.73	-	562.73	633.49
	<i>Financial Assets</i>				
	Investments	31,183.08	-	31,183.08	44,468.76
	Trade receivables	105,948.77	(15,107.63)	90,841.14	96,999.59
	Cash and cash equivalents	2,625.22	-	2,625.22	2,388.43
	Other Bank Balances	98.68	-	98.68	106.58
	Loans	3,539.22	-	3,539.22	2,800.63
	Others	27,514.03	-	27,514.03	908.15
	Deferred Acquisition Cost	4,559.42	(4,559.42)	-	-
	Other current assets	4,434.29	-	4,434.29	3,547.94
		180,465.44	(19,667.05)	160,798.39	151,853.57
	Total Assets	604,958.14	(159,447.26)	445,510.88	328,777.09

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

(₹ in Lakhs)

	Particulars	As at 31-Mar-19			As at 31-Mar-18
		As reported	Impact of Ind AS 115	Amount without adoption of Ind AS 115	Amount without adoption of Ind AS 115
B	EQUITY AND LIABILITIES				
	Equity				
	Equity share capital	13,289.98	-	13,289.98	13,275.95
	Other equity				
	Reserves & Surplus	63,770.62	9,188.64	72,959.26	63,253.21
	Revaluation Reserve	73,759.44	-	73,759.44	-
	Other Comprehensive Income	(93.28)	-	(93.28)	(84.60)
	Transition Difference	(121,044.68)	121,044.68	-	-
		29,682.08	130,233.32	159,915.40	76,444.56
	LIABILITIES				
	Non-current liabilities				
	<i>Financial Liabilities</i>				
	Other financial liabilities	694.24	-	694.24	281.69
	Provisions	578.68	-	578.68	724.34
	Deferred Tax Liabilities (Net)	22,401.70	-	22,401.70	-
	Other non-current liabilities				
	Contract Liability-Deferred Revenue	476,633.26	(265,967.70)	210,665.56	204,424.02
		500,307.88	(265,967.70)	234,340.18	205,430.05
	Current liabilities				
	<i>Financial Liabilities</i>				
	Trade payables				
	Total outstanding dues of micro enterprises and small enterprises; and	61.11	-	61.11	59.69
	Total outstanding dues of creditors other than micro enterprises and small enterprises	16,328.31	(2,658.90)	13,669.41	12,607.45
	Other financial liabilities	8,250.98	-	8,250.98	7,297.95
	Provisions	549.41	-	549.41	338.49
	Other current liabilities				
	Contract Liability-Deferred Revenue	47,298.51	(21,053.98)	26,244.53	24,425.91
	Others	2,479.86	-	2,479.86	2,172.99
		74,968.18	(23,712.88)	51,255.30	46,902.48
	Total Equity & Liabilities	604,958.14	(159,447.26)	445,510.88	328,777.09

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

(₹ in Lakhs)

Sl. No	Particulars	Year ended 31 March 2019			Year ended 31 March 2018
		As reported	Impact of Ind AS 115	Amount without adoption of Ind AS 115	Amount without adoption of Ind AS 115
1.	Revenue from Operations	91,829.15	20,691.68	112,520.83	106,418.57
2.	Other Income	4,514.70	-	4,514.70	3,000.46
3.	Total Income (1+2)	96,343.85	20,691.68	117,035.53	109,419.03
4.	Expenses				
	a. Employee benefits expense	24,849.96	2,194.26	27,044.22	24,284.05
	b. Finance costs	2.19	-	2.19	4.86
	c. Depreciation and amortisation expense	5,140.50	-	5,140.50	5,479.55
	d. Other expenses	56,333.96	4,393.35	60,727.31	58,935.25
5.	Total Expenditure	86,326.61	6,587.61	92,914.22	88,703.71
6.	Profit before tax (3-5)	10,017.24	14,104.07	24,121.31	20,715.32
7.	Tax expense				
	- Current tax	2,201.66	-	2,201.66	6,558.88
	- Deferred tax	1,429.35	4,915.43	6,344.78	720.57
	Total tax expense on 6 above	3,631.01	4,915.43	8,546.44	7,279.45
8.	Profit after tax for the period (6-7)	6,386.23	9,188.64	15,574.87	13,435.87
9.	Other comprehensive income				
	Items that will not be reclassified to profit or loss				
	Remeasurements of the defined benefit liabilities / (asset)	(13.34)	-	(13.34)	(109.44)
	Freehold land revaluation	96,339.40	-	96,339.40	-
	Income taxes related to items that will not be reclassified to profit or loss	(22,404.86)	-	(22,404.86)	37.87
	Net other comprehensive income not to be reclassified subsequently to profit or loss	73,921.20	-	73,921.20	(71.57)
10.	Total Comprehensive Income for the period (8+9)	80,307.43	9,188.64	89,496.07	13,364.30
11.	Earnings Per Share on Net Profit for the period (sl no 8) in Rupees (not annualized)				
	(a) Basic (in ₹)	4.81		11.72	10.14
	(b) Diluted (in ₹)	4.80		11.71	10.10

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 4 - Property Plant and Equipment

Description of Assets	Land - Freehold	Buildings - Freehold	Buildings - Leasehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block								
Balance as at 1st April, 2018	16,657.33	64,236.46	156.09	22,532.85	2,411.22	15,300.01	1,202.56	122,496.52
Additions	198.90	680.83	-	1,722.67	138.47	283.10	133.54	3,157.51
Revaluation (Refer Note no. 3 (A))	96,161.14	-	-	-	-	-	-	96,161.14
Disposals	(141.74)	(54.75)	-	(1,586.74)	(285.57)	(235.55)	(89.56)	(2,393.91)
Others (reclassification)	-	-	-	0.66	(1.46)	0.55	0.26	-
Balance as at 31st March, 2019	112,875.63	64,862.54	156.09	22,669.44	2,262.66	15,348.11	1,246.80	219,421.26
II. Accumulated depreciation								
Balance as at 1st April, 2018	-	9,033.16	156.09	14,004.16	2,146.02	11,681.22	624.28	37,644.93
Depreciation for the year	-	1,222.59	-	2,009.53	139.01	1,015.42	140.41	4,526.96
Eliminated on disposal of assets	-	(10.76)	-	(1,484.04)	(284.42)	(217.53)	(76.28)	(2,073.03)
Others (reclassification)	-	-	-	1.60	(1.90)	0.10	0.20	-
Balance as at 31st March, 2019	-	10,244.99	156.09	14,531.25	1,998.71	12,479.21	688.61	40,098.86
Net block (I-II)								
Balance as at 31st March, 2019	112,875.63	54,617.55	-	8,138.19	263.95	2,868.90	558.19	179,322.41
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

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 31 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 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 31 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 5 - Other Intangible Assets

Description of Assets	Computer Software & Website development cost
I. Gross Block	
Balance as at 1st April, 2018	7,005.97
Additions	237.93
Balance as at 31 March, 2019	7,243.90
II. Accumulated depreciation	
Balance as at 1st April, 2018	6,024.71
Amortisation expense for the year	613.54
Balance as at 31 March, 2019	6,638.25
Net block (I-II)	
Balance as at 31 March, 2019	605.65
Balance as at 31st March, 2018	981.26

Description of Assets	Computer Software & Website development cost
I. Gross Block	
Balance as at 1st April, 2017	6,781.19
Additions	224.78
Balance as at 31 March, 2018	7,005.97
II. Accumulated depreciation	
Balance as at 1st April, 2017	5,180.18
Amortisation expense for the year	844.53
Balance as at 31 March, 2018	6,024.71
Net block (I-II)	
Balance as at 31st March, 2018	981.26
Balance as at 31st March, 2017	1,601.01

Note No. 6 - Non Current Investment

Particulars	Face value	Currency	As At		As At	
			March 31, 2019		March 31, 2018	
			Quantity	Amount	Quantity	Amount
Unquoted Investments at Cost (fully paid)						
<i>In Equity Instruments of Subsidiaries</i>						
Heritage Bird (M) Sdn. Bhd.	1	MYR	300,002	40.27	300,002	40.27
Mahindra Hotels and Residences India Ltd.	10	₹	49,994	5.00	49,994	5.00
Gables Promoters Private Limited	10	₹	65,000,000	6,543.78	65,000,000	6,543.78
MH Boutique Hospitality Limited	100	THB	49,000	95.38	49,000	95.38
Infinity Hospitality Group Company Limited	100	THB	734,850	2,681.11	734,850	2,681.11
MHR Holdings (Mauritius) Limited	1	EUR	145,000	115.10	145,000	115.10
Arabian Dreams Hotel Apartments LLC	100	AED	147	52.11	147	52.11
				9,532.75		9,532.75

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 6 - Non Current Investment: (contd.)

Particulars	Face value	Currency	As At		As At	
			March 31, 2019		March 31, 2018	
			Quantity	Amount	Quantity	Amount
Unquoted Investments at FVTPL (fully paid)						
<i>In Equity Instruments of other entities</i>						
Mahindra World City Developers Ltd.	10	₹	1	0.00	1	0.00
Mahindra Hotels and Resorts Limited (cost of investment ₹ 1/-)	10	₹	20,011	0.00	20,011	0.00
Nreach Online Services Private Limited	10	₹	5,738	300.00	5,738	300.00
<i>In Preference Instruments of other entities</i>						
Guestline Hospitality Management and Development Services Limited (25,000 7% non-cumulative redeemable participating optionally convertible preference shares of ₹ 10/- each)	10	₹	25,000	83.23	25,000	73.18
				383.23		373.18
Aggregate Book Value of Unquoted Investments				9,915.98		9,905.93

Notes:

- 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.
- During the year Nil (Previous Year 15,321,400) equity shares of ₹ 10 each were allotted at par by Gables Promoters Private Limited.

Note No. 7 - Non-Current Trade Receivables

Particulars	As At March 31, 2019	As At March 31, 2018
Unsecured, considered good	56,142.51	46,396.43
	56,142.51	46,396.43

Note No. 8 - Non-Current Loans (Unsecured, Considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits	4,656.44	4,275.54
Loans to related parties (Refer Note no. 46)	7.40	7.40
	4,663.84	4,282.94

Note No. 9 - Other Financial Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets at amortised cost		
Guarantee commission receivable from related parties (Refer Note no. 46)	1,357.39	1,392.79
Bank deposit with more than 12 months maturity	26.59	-
Other Deposits	-	1,509.44
	1,383.98	2,902.23

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 10(a) - Deferred Tax Assets (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Tax effect of items constituting deferred tax liabilities</i>		
Property, Plant and Equipment (excluding land)	8,150.34	7,802.43
Deferred Acquisition Cost	24,698.64	-
Fair valuation of financial assets	1,142.94	437.39
<i>Tax effect of items constituting deferred tax assets</i>		
Employee Benefits	360.05	339.24
Deferred Revenue	94,651.83	-
Receivables / Revenue derecognition	895.81	9,220.49
Income tax loss	760.95	-
MAT Credit Entitlement	2,197.00	-
Provisions	58.01	-
Fair valuation of financial assets	24.91	28.32
Net Deferred Tax Asset	64,956.64	1,348.23

Note No. 10(b) - Deferred Tax Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Fair valuation of Land	22,401.70	-
Net Deferred Tax Liability	22,401.70	-

Note No. 11(a) - Other Non-Current Tax Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Income tax (Net of provisions up to the reporting date)	16,705.65	11,780.37
	16,705.65	11,780.37

Note No. 11(b) - Deferred Acquisition Cost

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Acquisition Cost (Refer Note no. 2(a)(iii))	64,283.21	-
	64,283.21	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 11(c) - Other Non-Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Advances	3,290.07	2,627.73
Prepayments	389.04	378.00
Duty paid under protests	615.48	527.60
	4,294.59	3,533.33

Note No. 12 - Inventories (At lower of cost and net realisable value)

Particulars	As at March 31, 2019	As at March 31, 2018
Food and beverages	90.06	96.43
Operating supplies	472.67	537.06
	562.73	633.49
Cost of food and beverages recognised as an expense during the year (Refer Note no. 33)	3,298.04	3,466.18

Note No. 13 - Current Investments :

Particulars	As At		As At	
	March 31, 2019		March 31, 2018	
	Units	Amount	Units	Amount
Unquoted Investments at FVTPL (all fully paid)				
<i>Investments in Mutual Funds</i>				
HDFC Banking and PSU Debt Fund Direct Growth	8,368,759	1,275.17	18,838,283	2,672.89
HDFC Banking and PSU Debt Fund Regular Growth	8,407,363	1,263.58	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	1,788.04	14,043,341	1,669.50
IDFC Corporate Bond Fund Direct Plan Growth	34,982,465	4,498.88	34,982,465	4,187.51
Birla Sun Life Floating Rate Fund-Long Term Plan Growth	966,662	2,220.75	966,662	2,056.67
Birla Sun Life Floating Rate Fund-Long Term Plan Growth Direct	948,356	2,209.94	948,356	2,042.06
HDFC Floating Rate Income Fund Short Term Plan Wholesale Growth	6,936,919	2,254.71	6,936,919	2,097.97
HDFC Floating Rate Income Fund Short Term Plan Wholesale Direct Plan Growth	6,696,488	2,189.99	6,696,488	2,034.55
ICICI Prudential Flexible Income Growth	269,270	965.95	269,270	897.03
ICICI Prudential Flexible Income Growth Direct	609,780	2,202.34	609,780	2,042.11
Mahindra Liquid Fund - Dir - Growth	146,170	1,770.73	694,854	7,812.70
Kotak Liquid Fund - Dir - Growth	108,151	4,092.77	-	-
ICICI Prudential Flexible Income Plan - Reg - Dly Dividend	-	-	1,286,302	1,360.08
Kotak Treasury Advantage Fund Regular Plan Growth	7,506,214	2,249.73	7,506,213	2,086.25
Kotak Treasury Advantage Fund Regular Direct Plan Growth	7,202,341	2,200.50	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
Aggregate book value of unquoted investments	97,192,279	31,183.08	133,967,510	44,468.76

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 14 - Current Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	105,948.77	96,999.59
Unsecured, credit impaired	113.97	3,173.41
Less: Impairment loss allowance	(113.97)	(3,173.41)
	<u>105,948.77</u>	<u>96,999.59</u>

Note No. 15 - Cash and Cash Equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks	2,519.90	1,574.43
Cash on hand	105.32	63.88
Bank Deposits with less than 3 months original maturity	-	750.12
	<u>2,625.22</u>	<u>2,388.43</u>

Note No. 16 - Other Bank Balances

Particulars	As at March 31, 2019	As at March 31, 2018
Earmarked balances with banks (Unpaid Dividend)	9.88	6.86
Bank Deposits with maturity greater than three months and less than twelve months	88.80	99.72
	<u>98.68</u>	<u>106.58</u>

Note No. 17 - Loans (Unsecured, Considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
Loans to related parties (Refer Note no. 46)	3,515.82	2,264.46
Loans and advances to employees	23.40	38.28
	<u>3,539.22</u>	<u>2,302.74</u>

Note No. 18 - Other Financial Assets

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Financial assets at amortised cost</i>		
Insurance claims receivable	-	3.86
Other receivables from related parties (Refer Note no. 46)	28.67	400.63
Interest accrued but not due	1,585.36	510.99
Other Deposits	25,900.00	490.56
	<u>27,514.03</u>	<u>1,406.04</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 19 (a) - Deferred Acquisition Cost

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Acquisition Cost (Refer Note no. 2(a)(iii))	4,559.42	-
	4,559.42	-

Note No. 19 (b) - Other Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
With Government authorities (excluding income taxes)	2,781.72	1,959.43
Prepayments	874.34	1,014.29
Advance to suppliers:		
Considered good *	778.23	574.22
Considered doubtful *	250.00	250.00
Less: Provision for doubtful advances	(250.00)	(250.00)
	4,434.29	3,547.94

* Both include advances given to related parties - ₹ 250 Lakhs

Note No. 20 - Equity Share Capital

Particulars	As At		As At	
	March 31, 2019		March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
<u>Authorised:</u>				
Equity shares of ₹ 10 each with voting rights	150,000,000	15,000.00	150,000,000	15,000.00
<u>Issued, Subscribed and Fully Paid:</u>				
Equity shares of ₹ 10 each with voting rights	133,553,784	13,355.38	133,443,784	13,344.38
Treasury Shares (par value)	(654,040)	(65.40)	(684,290)	(68.43)
	132,899,744	13,289.98	132,759,494	13,275.95

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:

- 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.
- Repayment of capital will be in proportion to the number of equity shares held.
- The dividends proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.
- With the adoption of new revenue recognition policy in accordance with Ind AS 115, the Company had to change its revenue recognition policy. Consequently, the Deferred Revenue and Deferred Costs had to be recomputed and that resulted in a Transition Difference. The Company is profitable and has healthy cash flows and has declared dividends every year since 2006. The Company is seeking a clarification from Ministry of Corporate Affairs (MCA) that this Transition Difference ought not to be considered for the purpose of calculation of dividend, under section 123(1) of the Companies Act, 2013. The declaration of dividend, if any shall be subject to clarification from MCA. (Previous year-₹ 5,337.75 Lakhs at ₹ 4 per share).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 20 - Equity Share Capital : (Contd.)

20 b) Shares in the Company held by Holding Company

Name of shareholder	No. of shares	% held as at 31-Mar-19	No. of shares	% held as at 31-Mar-18
Mahindra & Mahindra Limited (Holding Company)	89,890,615	67.31%	89,890,615	67.36%

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-19	No. of shares	% held as at 31-Mar-18
Mahindra & Mahindra Limited	89,890,615	67.31%	89,890,615	67.36%
HDFC Trustee Company	11,045,929	8.27%	7,193,250	5.39%

20 d) The reconciliation of the number of shares outstanding as at March 31, 2019 and March 31, 2018 is set out below:-

Particulars	As at		As at	
	31-Mar-19		31-Mar-18	
	No. of Shares	In ₹ Lakhs	No. of Shares	In ₹ Lakhs
Number of shares at the beginning	132,759,494	13,275.95	88,234,496	8,823.45
Add: Bonus Shares issued during the year	-	-	44,417,928	4,441.79
Add: Shares issued on exercise of employee stock options	140,250	14.03	369,771	36.98
Less: Shares issued to ESOP Trust as Bonus Shares	-	-	(262,701)	(26.27)
Number of shares at the end	132,899,744	13,289.98	132,759,494	13,275.95

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, 2019

All amounts are in ₹ Lakhs 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 no. (a) below	Minimum of 25 and a maximum of all the options vested but not exercised till that date.
Grant II (ESOS 2006)	30/03/2007	52.00	N.A.	19.50	4	122,235	5 yrs from the date of each vesting	25% each on expiry of 12,24,36 and 48 months from the date of grant.	
Grant III (ESOS 2006)	11/01/2007	52.00	N.A.	19.50	4	56,700			
Grant V (ESOS 2006)	11/01/2008	52.00	34.67	52.00	4	261,590			
Grant VI (ESOS 2006)	21/02/2012	370.00	N.A.	370.00	4	400,000			
Grant VII (ESOS 2006)	21/02/2012	323.00	215.33	215.33	4	186,500			
Grant VIII (ESOS 2006)	31/01/2013	323.00	215.33	215.33	4	130,000			
Grant IX (ESOS 2006)	29/01/2014	253.00	N.A.	253.00	4	35,000			
Grant I (ESOS 2014)	22/01/2015	264.00	176.00	176.00	4	620,000			
Grant II (ESOS 2014)	27/10/2015	365.00	243.33	-	4	110,000			Refer Note no. (b) below
Grant III (ESOS 2014)	18/02/2016	370.00	246.67	246.67	4	200,000			
Grant IV (ESOS 2014)	31/01/2017	406.00	270.67	270.67	4	80,000			
Grant V (ESOS 2014)	02/08/2017	410.00	N.A.	-	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 1.04.2018	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 31.03.2019	Options vested but not exercised
Grant I (ESOS 2006)	15/07/2006	Closed							
Grant II (ESOS 2006)	30/03/2007	Closed							
Grant III (ESOS 2006)	11/01/2007	Closed							
Grant V (ESOS 2006)	11/01/2008	Closed							
Grant VI (ESOS 2006)	21/02/2012	Closed							
Grant VII (ESOS 2006)	21/02/2012	75,562	-	-	-	20,250	34,688	20,624	20,624
Grant VIII (ESOS 2006)	31/01/2013	154,000	-	-	-	10,000	11,250	132,750	132,750
Grant IX (ESOS 2006)	29/01/2014	Closed							
Grant I (ESOS 2014)	22/01/2015	710,000	-	-	150,000	110,000	-	600,000	600,000
Grant II (ESOS 2014)	27/10/2015	165,000	-	-	41,250	-	-	165,000	123,750
Grant III (ESOS 2014)	18/02/2016	150,000	-	-	75,000	-	-	150,000	75,000
Grant IV (ESOS 2014)	31/01/2017	60,000	-	-	15,000	-	-	60,000	30,000
Grant V (ESOS 2014)	02/08/2017	60,000	-	-	15,000	-	-	60,000	15,000
Total		1,374,562	-	-	296,250	140,250	45,938	1,188,374	997,124

The fair value of options as certified by independent valuer as of the respective dates of grant i.e. 21st February, 2012 is ₹ 129.93 for Grant VII (ESOS 2006), 31st January, 2013 is ₹ 94.43 for Grant VIII (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).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs 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 ₹ 320.09 per share (March 31, 2018 239.96 per share) and weighted average remaining contractual life for the share options outstanding as at March 31, 2019 was 2.84 years (March 31, 2018 3.84 years)

Note No. 21 - Other Equity

Particulars	As at March 31, 2019	As at March 31, 2018
General reserve	10,381.68	10,381.68
Securities premium	10,312.39	10,067.68
Share options outstanding account	1,265.90	1,117.45
Retained earnings	41,620.10	41,495.85
Capital reserve	44.75	44.75
Capital redemption reserve	145.80	145.80
Reserves & Surplus	63,770.62	63,253.21
Revaluation Reserve	73,759.44	-
Other Comprehensive Income-Actuarial Loss	(93.28)	(84.60)
Transition Difference	(121,044.68)	-
	16,392.10	63,168.61

Notes :

- General reserve:** The general reserve is used from time to time to transfer net profits from retained earnings for appropriation purposes.
- Securities Premium :** Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, write-off equity related expenses like share issue expenses, etc.
- 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.
- 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.
- Capital Redemption Reserve:** The capital redemption reserve is used towards issue of fully paid bonus shares of the Company.
- Revaluation Reserve:** The revaluation reserve is credited on account of revaluation of freehold land. It is not available for distribution as dividend.
- Transition Difference:** As explained in note 3(B) i.e changes in significant accounting policies, the Company has adopted Ind AS 115 Revenue from Contracts with Customer from April 1, 2018. The Cumulative effect of applying this standard is recognised as an adjustment to other equity, by separately disclosing it in Transition Difference.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 22 - Other Financial Liabilities (At amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018
Retention Money	694.24	281.69
	694.24	281.69

Note No. 23 - Non-Current Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits - Compensated absences	578.68	724.34
	578.68	724.34

Note No. 24 - Other Non-Current Liabilities - Contract Liability - Deferred Revenue

Particulars	As at March 31, 2019	As at March 31, 2018
Contract Liability - Deferred Revenue - Vacation ownership	476,633.26	204,424.02
	476,633.26	204,424.02

Note No. 25 - Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises (Refer Note no. 44)	61.11	59.69
Total outstanding dues of creditors other than micro enterprises and small enterprises	16,328.31	12,607.45
	16,389.42	12,667.14

Micro and small enterprises have been identified by the Company on the basis of the information available.

Note No. 26 - Other Financial Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Creditors for capital supplies/services	670.73	781.76
Guarantee liability	320.49	608.76
Commission payable to non-whole time directors	105.00	184.00
Unpaid Dividends *	9.88	6.84
Employee benefits payable	4,572.85	4,215.85
Other payables	2,572.03	1,500.74
	8,250.98	7,297.95

* There are no amounts due and outstanding to be transferred to Investor Education and Protection Fund as at March 31, 2019.

Note No. 27 - Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
- Gratuity (Refer Note no. 38)	97.72	82.61
- Compensated absences	451.69	255.88
	549.41	338.49

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 28(a) - Other Current Liabilities - Contract Liability - Deferred Revenue

Particulars	As at March 31, 2019	As at March 31, 2018
Contract Liability - Deferred Revenue - Vacation Ownership	34,111.51	12,187.12
Contract Liability - Deferred Revenue - Annual subscription fee	13,187.00	12,238.79
	47,298.51	24,425.91

Note No. 28(b) - Other Current Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Taxes (excluding income taxes) and other statutory dues	2,479.86	2,172.99
	2,479.86	2,172.99

Note No. 29 - Revenue from Operations

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from contract with customers		
Vacation Ownership Income	31,546.67	54,493.21
Income from resorts :		
Room rentals	4,630.57	4,036.02
Food and beverages	12,941.55	12,506.32
Wine and liquor	444.96	424.20
Others	3,953.73	3,960.24
Annual subscription fee	26,139.56	21,668.45
	79,657.04	97,088.44
Other operating revenue		
Interest income on instalment sales	11,441.61	8,829.94
Miscellaneous income	730.50	500.19
	12,172.11	9,330.13
	91,829.15	106,418.57

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 30 - Other income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<i>Interest Income on Financial Assets at Amortised Cost</i>		
On deposits with bank	8.97	284.34
On other deposits	1,062.01	13.09
On loans/deposits with related parties (Refer Note no. 46)	143.76	277.58
Others	215.85	133.49
<i>Dividend Income</i>		
Dividend income from current investments	31.84	177.81
Net foreign exchange gain	-	228.97
Net gain arising on financial assets designated as at FVTPL	2,742.41	1,593.18
Guarantee Commission from related parties (Refer Note no. 46)	309.86	292.00
	4,514.70	3,000.46

Note No. 31 - Employee Benefits Expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages, including bonus	21,522.61	21,019.00
Contribution to Provident and other funds	1,577.41	1,347.01
Equity-settled share-based payments	148.45	272.06
Staff welfare expenses	1,601.49	1,645.98
	24,849.96	24,284.05

Note No. 32 - Finance costs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest on short-term borrowings	2.19	4.86
	2.19	4.86

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 33 - Other expenses

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
<u>Cost of food and beverages consumed</u>				
Opening stock	96.43		107.61	
Add: Purchases	3,291.67		3,455.00	
Less: Closing stock	90.06		96.43	
		3,298.04		3,466.18
Operating supplies		3,616.80		3,408.97
Power & Fuel		3,767.16		3,629.58
Rent including lease rentals		13,017.17		10,641.06
Rates and taxes		661.84		579.55
Insurance		367.93		386.18
<u>Repairs and maintenance</u>				
Buildings		1,606.95		855.22
Plant & equipment		446.59		414.61
Others		1,649.15		2,004.88
Advertisement		652.52		968.17
Sales promotion		12,867.42		16,685.72
Travelling and Conveyance		2,470.69		2,455.84
Commission and other customer offers		3,396.76		4,220.77
Net loss on foreign currency transactions		32.49		-
<u>Auditors remuneration and out-of-pocket expenses</u>				
For Statutory audit		53.00		53.00
For Other services		33.12		24.22
For reimbursement of expenses		3.27		1.32
Director's fees		43.50		48.05
Commission to non whole time directors		105.00		184.00
Legal and other professional costs		2,555.70		2,074.73
Communication		1,158.26		1,179.35
Software charges		149.77		345.67
Service charges		1,367.35		1,544.42
Bank charges		502.40		1,219.05
Corporate Social Responsibility (CSR) expenditure (Refer Note no. 41)		411.60		340.20
Loss on sale of property, plant and equipment (net)		167.15		62.96
Miscellaneous expenses		1,932.33		2,141.55
		56,333.96		58,935.25

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 34 - Current Tax and Deferred Tax
(a) Income Tax recognised in profit or loss

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current Tax:		
In respect of current year	2,201.66	6,558.88
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	1,429.35	720.57
Total income tax expense on continuing operations	3,631.01	7,279.45

(b) Income tax recognised in other Comprehensive income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current/Deferred Tax		
Remeasurement of defined benefit obligations and freehold land revaluation	(22,404.86)	37.87
	<u>(22,404.86)</u>	<u>37.87</u>
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	22,404.86	(37.87)
	<u>22,404.86</u>	<u>(37.87)</u>

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax	10,017.24	20,715.32
Income tax expense calculated at 34.944%/34.608%	3,500.42	7,169.16
Effect of income that is exempt from taxation	(11.13)	(61.54)
Effect of change in tax rate	(13.09)	-
Effect of expenses that is non-deductible in determining taxable profit	154.81	171.83
Income tax expense recognised in statement of profit and loss	3,631.01	7,279.45

The tax rate used for the March 31, 2019 and March 31, 2018 reconciliations above is at the corporate tax rate of 30% plus surcharges and cess (applicable rate @ 34.944% for March 31, 2019 and 34.608% for March 31, 2018) 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, 2019

All amounts are in ₹ Lakhs 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, 2019				
	Opening Balance	Effect of Transition to IND AS 115	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<u>Tax effect of items constituting deferred tax liabilities</u>					
Property, Plant and Equipment	(7,802.43)	-	(347.92)	(22,401.70)	(30,552.05)
Deferred Cost	-	(23,141.03)	(1,557.61)	-	(24,698.64)
Fair valuation of financial assets	(437.39)	-	(705.54)	-	(1,142.93)
	<u>(8,239.82)</u>	<u>(23,141.03)</u>	<u>(2,611.06)</u>	<u>(22,401.70)</u>	<u>(56,393.62)</u>
<u>Tax effect of items constituting deferred tax assets</u>					
Employee Benefits	339.24	-	20.81	-	360.05
Receivables / Revenue derecognition*	9,220.49	(4,452.96)	(3,871.72)	-	895.81
Deferred Revenue	-	92,631.75	2,020.07	-	94,651.83
Income tax loss	-	-	760.95	-	760.95
MAT Credit Entitlement	-	-	2,197.00	-	2,197.00
Provisions	-	-	58.01	-	58.01
Fair valuation of financial assets	28.32	-	(3.41)	-	24.91
	<u>9,588.05</u>	<u>88,178.79</u>	<u>1,181.71</u>	<u>-</u>	<u>98,948.56</u>
Net Tax Asset / (Liabilities)	<u>1,348.23</u>	<u>65,037.76</u>	<u>(1,429.35)</u>	<u>(22,401.70)</u>	<u>42,554.94</u>

* During the current year the company has cancelled contracts where there was uncertainty of collection from customers. Consequently the corresponding receivables and deferred revenue relating to those customers were written off. These were fully provided by the company and pursuant to the write off the current tax expense is lower in the current year and the corresponding deferred tax asset recognised, is utilised.

Particulars	For the Year ended March 31, 2018			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<u>Tax effect of items constituting deferred tax liabilities</u>				
Property, Plant and Equipment	(7,519.89)	(282.54)	-	(7,802.43)
Fair valuation of financial assets	(14.55)	(422.84)	-	(437.39)
	<u>(7,534.44)</u>	<u>(705.38)</u>	<u>-</u>	<u>(8,239.82)</u>
<u>Tax effect of items constituting deferred tax assets</u>				
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
	<u>9,603.24</u>	<u>(15.19)</u>	<u>-</u>	<u>9,588.05</u>
Net Tax Asset / (Liabilities)	<u>2,068.80</u>	<u>(720.57)</u>	<u>-</u>	<u>1,348.23</u>

** 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

Note No. 35 - Earnings per Share

Basic Earnings per share

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year after tax attributable to owners of the Company	6,386.23	13,435.87
Weighted average number of equity shares (in Lakhs)	1,328.71	1,325.02
Earnings per share - Basic	4.81	10.14

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 35 - Earnings per Share: (Contd.)
Diluted earnings per share

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year after tax attributable to owners of the Company	6,386.23	13,435.87
Weighted average number of equity shares (in Lakhs)	1,329.70	1,329.78
Earnings per share - Diluted	4.80	10.10

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Weighted average number of equity shares used in the calculation of Basic EPS	1,328.71	1,325.02
Add: Effect of ESOPs	0.99	4.76
Weighted average number of equity shares used in the calculation of Diluted EPS	1,329.70	1,329.78

Note No. 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.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Future minimum lease commitments		
not later than one year	10,720.97	10,444.36
later than one year and not later than five years	16,810.85	15,911.91
later than five years	2,913.80	6,575.65
Expenses recognised in the Statement of Profit and Loss		
- Minimum Lease Payments	12,810.83	10,180.94

Note No. 37 - Contingent liabilities and commitments

Contingent liabilities (to the extent not provided for)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Income Tax matters:		
<i>Claims against the Company not acknowledged as debt (for matters disputed by the Company)</i>		
pertaining to Revenue Recognition (timing difference *) pending before the CIT(A)/ITAT (Company appeal)	52,652.65	43,693.51
interest included in the above	13,584.11	11,206.88
pertaining to other matters (mainly timing differences *), pending before the CIT(A)/ITAT (Company appeal)	5,153.63	4,450.29
interest included in the above	1,086.96	967.04
<i>Matters decided in favour of the Company, (but under appeal by the Department)</i>		
pertaining to Revenue Recognition (timing difference *) pending before the Madras High Court (Department appeal) excluding interest	27,140.61	27,140.61
(b) Service Tax matters:		
claimed on interest on instalments and other items (inclusive of penalty where quantified in demand)*	3,080.32	8,760.92

* 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 TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 37 - Contingent liabilities and commitments: (Contd.)

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.

Particulars	As at March 31, 2019	As at March 31, 2018
(c) <u>Luxury Tax matters:</u>		
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)	6,735.55	5,485.52
The Company has challenged the above demands before various appellate authorities / High Court, the outcome of which is pending. For all such matters, the Company has made cumulative provisions for ₹ 675.10 Lakhs (Previous year ₹ 509.10 Lakhs) on a best estimate basis.		
The above demands include demands raised by Kerala Luxury Tax authorities in respect of which the Kerala High Court (single bench) has upheld the Constitutional validity of the levy and has allowed the department to proceed with the assessment while setting aside penalty orders. The Company has filed an writ appeal before the Divisional Bench of the Kerala High Court challenging the order of the single bench. The Company had also filed SLP with the Supreme Court wherein order has been passed permitting the tax authorities to proceed with the assessments but restricted the tax authorities for making any demand pursuant to the assessment till the disposal of the appeal before the Divisional Bench of the Kerala High Court. The provision of ₹ 675.10 Lakhs (Previous year ₹ 509.10 Lakhs) referred to above includes ₹ 473 Lakhs (Previous year ₹ 438 Lakhs) on the account of demand raised by Kerala Tax Authorities.		
(d) <u>Guarantees given for its subsidiaries:</u>		
Amount of guarantees given (Euro)	778.50	728.50
Outstanding amount against guarantees (Euro)	709.70	644.50
Amount of guarantees given (THB)	1,620.00	1,620.00
Outstanding amount against guarantees (THB)	1,480.00	1,550.00
Amount of guarantees given (₹)	63,974.97	62,130.41
Outstanding amount against guarantees (₹)	58,328.11	55,209.37

(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. The matter is finally heard, order is awaited.
- (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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 37 - Contingent liabilities and commitments: (Contd.)

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 (NA) conversion order by the Collector, Pune on the basis of complaint made by the said neighbouring owner and subsequently confirmed by the Additional Divisional Commissioner, Pune, the Company has also filed another Civil Suit at Civil Court, Pune against State of Maharashtra and Others, inter alia, seeking declaration that the proceedings and Orders in respect of cancellation of the NA status of the land underlying the resort property at Lonavala are not enforceable and also sought other reliefs. Ad-interim stay has been granted against State of Maharashtra and the Collector, Pune not to give effect to the Orders of NA cancellation and the matter is pending for further hearing.

(f) Other matters:

- (i) The Company engaged a building contractor for construction of a resort. As the construction did not proceed as per agreed timelines the Company terminated the contract. The contractor has claimed ₹ 1,256.15 Lakhs as damages for termination of the Contract. The Company has made a counter claim of ₹ 2,003.56 Lakhs towards liquidated damages and other losses. The matter has been heard by the Arbitrator and is reserved for Orders.
- (ii) The Regional Provident Fund Commissioner, Chennai had issued Summons initiating proceedings under Section 7A of the Employees Provident Fund Act for failing to remit contributions on allowances relating to employees for the period from March 2011 to February 2013 in respect of Indian employees and from April 2010 to February 2013 in respect of international employees. The PF Authorities have made a claim of ₹ 189.93 Lakhs. The Company has filed a Writ Petition No 2408/2014 before the Madras High Court and the Court has granted an Interim stay of the above proceedings.
- (iii) The Company had acquired the entire shareholding of erstwhile Holiday on Hill Resort Private Limited (erstwhile subsidiary) in the year 2012 and subsequently it was amalgamated with the Company. In the year 2013, a Show Cause Notice was issued by the Collector, Solan to the erstwhile subsidiary under the provisions of Section 118 of HP Tenancy and Land Reforms Act, 1972 (the Act) alleging that the sale by the erstwhile subsidiary was in violation of the provisions of the Act and has required the erstwhile subsidiary to show cause why the said land should not be confiscated. The erstwhile subsidiary had responded to the said show cause notice, inter alia, submitting that it has not violated any provisions of the Act in as much as the Company has acquired only the shareholding of the erstwhile subsidiary from its shareholders and no property has been sold to the Company. The matter has been disposed off by an Order dated December 12, 2017 passed by the Financial Controller (Appeals), HP, Shimla in Revision Application preferred by the Company. The State of Himachal Pradesh has challenged the Order dated December 12, 2017 by filing a Writ Petition in the High Court of Himachal Pradesh at Shimla. The Company has filed its reply to the Writ Petition. The Writ Petition is pending.

- (g) With respect to member complaints pending before various consumer fora and other matters: Estimated amount of claims ₹ 532.36 Lakhs (As at March 31, 2018: ₹ 493.93 Lakhs).

(h) Capital commitment:

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	3,943.85	475.56

- (i) Employees' Provident Funds and Miscellaneous Provisions Act, 1952 : In February 2019, the Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligation for past periods. Accordingly, based on legal advice the Company has made a provision for provident fund contribution from the date of the Supreme Court order.
- (j) During the year company has received a show cause notice from service tax authorities of ₹ 21,017.00 Lakhs. Company has filed its detailed reply and is confident that no payment is expected to be made for this notice.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 38 - Employee Benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and Superannuation Fund aggregating ₹ 1,107.18 Lakhs (2018: ₹ 990.45 Lakhs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans (Gratuity)

The Company has a funded Gratuity Scheme for its employees and gratuity liability has been provided based on the actuarial valuation done at the year end. The Gratuity scheme of the Company is funded with the Life Insurance Corporation of India.

Defined benefit plans – as per actuarial valuation on March 31, 2019 and March 31, 2018:

Particulars		Funded Plan	
		Gratuity	
		2019	2018
Ia.	Expense recognised in the Statement of Profit and Loss for the year ended 31st March:		
	Current service cost	149.06	129.78
	Net Interest cost	6.19	1.19
	Components of defined benefit costs recognised in profit & loss	155.25	130.97
Ib.	Included in other Comprehensive Income:		
	Difference between actual and expected return on plan assets	4.83	31.66
	Actuarial (Gain)/Loss on account of :		
	Demographic Assumptions	(32.08)	66.53
	Financial Assumptions	37.41	-
	Experience Adjustments	3.17	11.25
	Components of defined benefit costs recognised in other comprehensive income	13.33	109.44
I.	Net Liability recognised in the Balance Sheet as at 31st March:		
	1. Present value of defined benefit obligation as at 31st March	723.74	626.49
	2. Fair value of plan assets as at 31st March	626.02	543.88
	3. Deficit	(97.72)	(82.61)
II.	Change in the obligation during the year ended 31st March:		
	Present value of defined benefit obligation at the beginning of the year	626.49	464.85
	Expenses Recognised in the Statement of Profit and Loss		
	- Current Service Cost	149.06	129.78
	- Interest Expense	46.95	34.84
	Recognised in Other Comprehensive Income		
	Remeasurement gains / (losses)	-	-
	Actuarial Gain / (Loss) arising from:		
	Change in Demographic Assumptions	(32.08)	66.53
	Financial Assumptions	37.41	-
	Experience Adjustments	3.17	11.25
	Benefit payments	(107.26)	(80.76)
	Present value of defined benefit obligation at the end of the year	723.74	626.49

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 38 - Employee Benefits (Contd.)

Particulars	Funded Plan	
	Gratuity	
	2019	2018
III. Change in fair value of assets during the year ended 31st March:		
Fair value of plan assets at the beginning of the year	543.88	448.91
Expenses Recognised in the Statement of Profit and Loss		
Expected return on plan assets	40.76	33.65
Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
Difference between actual and expected return on plan assets	(4.83)	(31.66)
Contributions by employer (including benefit payments recoverable)	153.47	173.74
Benefit payments	(107.26)	(80.76)
Fair value of plan assets at the end of the year	626.02	543.88
IV. Major categories of plan assets :		
Deposits with Insurance companies	626.02	543.88

The significant actuarial assumptions (estimated for adequate coverage of the obligation on a prudent basis), are as under:

	Valuation as at	
	March 31, 2019	March 31, 2018
Discount rate(s)	6.60%	7.50%
Expected rate(s) of salary increase	5.00%	5.00%
Expected rate of return on plan assets	6.60%	7.55%
Attrition	25%-45%	10%-20%
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	2018-2019	0.50%	10.67	(10.98)
	2017-2018	0.50%	(17.14)	18.04
Salary growth rate	2018-2019	0.50%	(11.10)	10.88
	2017-2018	0.50%	18.39	(17.62)
Attrition rate	2018-2019	0.50%	31.04	(31.21)
	2017-2018	0.50%	(1.83)	20.27
Mortality rate	2018-2019	0.50%	(0.06)	0.06
	2017-2018	0.50%	0.17	(0.16)

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs 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 ₹ 210.11 Lakhs (Previous Year 234.82 Lakhs) to the gratuity trust during the next financial year of 2019-20.

V Maturity profile of defined benefit obligation:

	2019	2018
Within 1 year	239.52	97.68
1 - 2 year	160.49	93.03
2 - 3 year	131.86	79.56
3 - 4 year	106.28	80.83
4 - 5 year	77.48	79.24
> 5 years	151.19	313.61

Plan Assets:

The fair value of Company's pension plan asset as of 31st March, 2019 and 31st March, 2018 by category are as follows:

	2019	2018
Asset category:		
Contributions placed with Insurance companies	626.02	543.88
	100%	100%

The weighted average duration of the defined benefit obligation as at 31 March 2019 is 3 years (2018: 6 years)

VI Experience Adjustments:

	Year Ended				
	2019	2018	2017	2016	2015
	Gratuity				
Defined Benefit Obligation	723.74	626.49	464.85	402.09	317.72
Fair value of plan assets	626.02	543.88	448.91	397.79	235.68
Surplus/(Deficit)	(97.72)	(82.61)	(15.94)	(4.30)	(82.04)
Experience adjustment on plan liabilities [(Gain)/Loss]	(8.50)	(77.78)	(27.54)	8.41	(54.66)
Experience adjustment on plan assets [Gain/ (Loss)]	(4.83)	(31.66)	23.05	(23.86)	(0.33)

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 ₹ 244.71 Lakhs (Previous Year: ₹ 100.54 Lakhs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs 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, 2019

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	-	383.23	-	383.23
Trade Receivables	56,142.51	-	-	56,142.51
Loans	4,663.84	-	-	4,663.84
Other Financial Assets				
- Non Derivative Financial Assets	1,383.98	-	-	1,383.98
Current Assets				
Investments	-	31,183.08	-	31,183.08
Trade Receivables	105,948.77	-	-	105,948.77
Cash & Bank balances	2,625.22	-	-	2,625.22
Other Bank Balances	98.68	-	-	98.68
Loans	3,539.22	-	-	3,539.22
Other Financial Assets				
- Non Derivative Financial Assets	27,514.03	-	-	27,514.03
Non-current Liabilities				
Other Financial Liabilities				
- Non Derivative Financial Liabilities	694.24	-	-	694.24
Current Liabilities				
Trade Payables	16,389.42	-	-	16,389.42
Other Financial Liabilities				
- Non Derivative Financial Liabilities	8,250.98	-	-	8,250.98

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 & Cash Equivalents	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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs 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 Instalments (EMIs) and the ensuing credit risk is managed by the Company in the following manner:

- preliminary assessment of customer credit worthiness, ensuring realisation of minimum down payment and adherence to internal KYC norms;
- collecting post dated instruments such as cheques, Automated Clearing House (ACH) mandates, standing credit card instructions from the customers at inception to ensure security cover.

From an accounting perspective, revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the Company. The Company also assesses lifetime expected credit loss by using appropriate models, as prescribed by Ind AS 109, using past trends of collections and historical credit loss experience. The categorisation of the receivables into its ageing buckets for the purposes of estimating the expected loss allowance has been profiled based on the longest overdue of that member, for example, if a member has one instalment overdue for say 12 months, the entire receivable of the member is aggregated into that ageing bucket and the credit loss allowance is determined after taking into account the credits against the member under "Contract liability- Deferred Revenue - Vacation ownership fee" (Refer Note no. 24 and Note no. 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, 2019	March 31, 2018
Carrying value of receivables (Refer Note no. 7 and 14)*	162,205.25	146,454.64
Credit loss allowance	113.97	3,173.41
Loss allowance (%)	0.07%	2.17%

*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 no. 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, 2018	3,173.41
Allowance for credit loss recognised during the year	-
Amounts written off during the year	(3,059.44)
Balance as at March 31, 2019	113.97
Balance as at April 1, 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 39 - Financial Instruments:(Contd.)
(ii) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities (predominantly trade payables, retention payables, etc) with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
<u>Non-derivative financial liabilities as at March 31, 2019</u>				
Trade Payables	16,389.42	-	-	-
Other Financial Liabilities	7,580.25	694.24	-	-
Financial guarantee contracts	58,328.11	-	-	-
Total	82,297.78	694.24	-	-
<u>Non-derivative financial liabilities as at March 31, 2018</u>				
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	-	-

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, 2019	March 31, 2018
Cash credit		
- Expiring within one year	6,000.00	6,000.00
	6,000.00	6,000.00

(iii) Market risk management

The Company's market risk comprises solely of its foreign currency exposure which are limited and not material to the size of its operations.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's investing activities when transactions are denominated in a different currency from the Company's functional currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Currency	in ₹ Lakhs	
		March 31, 2019	March 31, 2018
Receivables	MYR	710.00	789.18
	EUR	1,281.02	1,032.38
	AED	869.06	1,050.27
	THB	896.29	836.57
Payables	USD	5.38	12.66
	MYR	10.20	13.43
	EUR	-	4.81
	AED	652.46	572.44
	THB	37.58	42.08

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.

In ₹ Lakhs

	Currency	Change in rate	Impact on profit before tax
March 31, 2019	USD	+10%	0.54
	USD	-10%	(0.54)
	MYR	+10%	69.98
	MYR	-10%	(69.98)
	EUR	+10%	128.10
	EUR	-10%	(128.10)
	AED	+10%	21.66
	AED	-10%	(21.66)
	THB	+10%	85.87
	THB	-10%	(85.87)
March 31, 2018	USD	+10%	0.02
	USD	-10%	(0.02)
	MYR	+10%	77.58
	MYR	-10%	(77.58)
	EUR	+10%	102.76
	EUR	-10%	(102.76)
	AED	+10%	47.78
	AED	-10%	(47.78)
	THB	+10%	79.45
	THB	-10%	(79.45)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 40 - Fair Value Measurement

Fair Valuation Techniques and Inputs used - recurring Items

Financial assets/ financial liabilities* measured at Fair value	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2019	March 31, 2018		
Financial assets				
Investments				
Mutual fund investments	31,183.08	44,468.76	Level 1	Refer Note no. 1 below
Equity and preference	383.23	373.18	Level 3	Refer Note no. 2 below
Total financial assets	31,566.31	44,841.94		

Note 1: Fair value determined using NAV.

Note 2: Fair value determined using discounted cash flow method.

Reconciliation of Level 3 fair values

Particulars	Equity and Preference
Balance as at March 31, 2018	373.18
Fair value gain included in statement of profit and loss	10.05
Balance as at March 31, 2019	383.23

* 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 ₹ 410 Lakhs (Previous Year : ₹ 340 Lakhs)

	Paid	Yet to be paid	Total
(i) Construction/Acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	411.60	-	411.60

Note No. 42 - Capital work in progress (CWIP) and expenditure during construction pending allocation included therein

	As at March 31, 2019	As at March 31, 2018
Capital Work-in-progress	21,818.13	10,848.60

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Expenditure during construction pending allocation included in (CWIP) above:

	As at March 31, 2019	As at March 31, 2018
Salaries, Wages & Bonus	2,040.65	1,494.86
Staff welfare Expenses	38.08	22.82
Power & Fuel	42.48	22.82
Rent	24.32	14.90
Rates & Taxes	11.35	11.35
Repairs-Others	19.59	19.46
Travelling	132.59	105.27
Consultancy Charges	184.49	184.49
Freight	10.27	10.27
Miscellaneous	154.10	71.61
	2,657.92	1,957.85

Note No. 43 - Specified Bank Notes (SBN)

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended March 31, 2019.

Note No. 44 - Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	As at March 31, 2019	As at March 31, 2018
(i) Principal amount remaining unpaid to MSME suppliers as on	61.11	59.66
(ii) the amount of interest paid by the buyer under MSMED Act,	-	-
(iii) Interest accrued and remaining unpaid at the end of each accounting year to MSME suppliers as on	-	-
iv) Further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-
(v) Interest due and payable 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, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 46 - Related party transactions

Particulars		March 31, 2019	March 31, 2018
Transactions during the year :			
<u>Holding company</u>			
Sale of services	Mahindra & Mahindra Limited	257.22	38.87
Purchases of PPE	Mahindra & Mahindra Limited	111.07	-
Purchase of services	Mahindra & Mahindra Limited	616.20	974.78
Dividend paid(Including Divedend Distribution Tax)	Mahindra & Mahindra Limited	4,334.70	3,606.34
<u>Subsidiary companies</u>			
Investments	Gables Promoters Private Ltd	-	1,532.14
ICD, Loans & Advances given	Gables Promoters Private Ltd	1,600.00	1,000.00
	Mahindra Hotels & Residences India Ltd	-	3.00
ICD, Loans & Advances received	Gables Promoters Private Ltd	-	1,273.49
	Infinity Hospitality Group Company Ltd	-	1,382.93
	Heritage Bird (M) Sdn Bhd.	51.84	-
	Arabian Dreams Hotels Apartments LLC	190.55	412.42
Purchase of services	Heritage Bird (M) Sdn Bhd.	123.32	138.41
	Infinity Hospitality Group Company Ltd	358.60	451.69
	Gables India Private Limited	991.21	349.81
	Arabian Dreams Hotels Apartments LLC	1,260.97	1,143.49
Sale of services	Gables Promoters Private Limited	69.90	239.05
Interest Income	Heritage Bird (M) Sdn Bhd.	33.82	64.52
	Gables Promoters Private Limited	64.80	59.44
	Infinity Hospitality Group Company Ltd	-	8.83
	MH Boutique Hospitality Limited	20.60	52.57
	Mahindra Hotels & Residences India Ltd	0.48	0.34
	MHR Holdings (Mauritius) Limited	4.43	18.30
	Arabian Dreams Hotels Apartments LLC	19.63	73.58
Commission on Corporate Guarantee	MHR Holdings (Mauritius) Limited	249.66	234.62
	Covington S.a.r.l	42.63	40.84
	Infinity Hospitality Group Company Ltd	17.57	16.55
Corporate guarantees given on behalf of	MHR Holdings (Mauritius) Ltd	3,880.93	383.14
<u>Fellow Subsidiaries / Associates</u>			
Sale of services	Mahindra Intertrade Ltd	1.23	0.99
	Mahindra Lifespace Developers Ltd	13.48	-
	Mahindra Rural Housing Finance Ltd	0.33	-
	Bristlecone India Limited.	0.20	1.71
	Tech Mahindra Limited	2.65	2.93
	Mahindra Asset Management Company Ltd	-	5.58

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 46 - Related party transactions:(Contd.)

Particulars		March 31, 2019	March 31, 2018
Purchase of PPE	Mahindra Retail Private Limited	547.93	19.96
Purchase of services	Mahindra Integrated Business Solutions Pvt Ltd	277.39	184.22
	Mahindra Defence Systems	20.82	-
	Trringo.com Limited	1.13	-
	Mahindra Retail Private Limited	104.97	-
	Bristlecone India Limited.	168.05	316.72
	Tech Mahindra Ltd	426.28	582.89
Other Entities(Director's Interest)			
Purchase of services	Grassroutes Journeys Private Limited	-	1.03
Key Management Personnel			
Managerial remuneration	Mr. Kavinder Singh	416.28	370.85
	Mr. S Krishnan (Upto January 21, 2018)	38.18	309.35
	Mrs. Akhila Balachandar (w.e.f. May 20, 2017)	120.20	93.25
	Mr. Dinesh Shetty (Upto March 31, 2018)	25.70	87.10
	Mr. Nirav Momaya (w.e.f. September 28, 2018 upto October 29, 2018)	1.52	-
	Mr. Dhanraj Mulki (w.e.f. October 29, 2018)	25.09	-
	Director's Sitting Fees	43.50	48.05
	Commission to non whole time directors	105.00	184.00
Balances as at:			
Holding company			
Outstanding: Payable	Mahindra & Mahindra Limited	436.97	291.77
Outstanding: Receivable	Mahindra & Mahindra Limited	13.30	26.42
Subsidiary companies			
Investments	Mahindra Hotels & Residences India Ltd	5.00	5.00
	Heritage Bird (M) Sdn Bhd.	40.27	40.27
	Gables Promoters Private Limited	6,543.78	6,543.78
	Infinity Hospitality Group Company Ltd	2,681.11	2,681.11
	MH Boutique Hospitality Limited	95.38	95.38
	Arabian Dreams Hotels Apartments LLC	52.11	52.11
	MHR Holdings (Mauritius) Limited	115.11	115.11
Loans and Advances including interest accrued	Mahindra Hotels & Residences India Ltd	7.40	7.40
Inter Corporate Deposits including interest accrued	Gables Promoters Private Limited	1,658.32	-
	MH Boutique Hospitality Limited	896.31	836.57
	Mahindra Hotels & Residences India Ltd	6.37	5.93
	MHR Holdings (Mauritius) Limited	247.37	252.63
	Arabian Dreams Hotels Apartments LLC	600.84	723.03
	Heritage Bird (M) Sdn Bhd.	710.00	789.18

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 46 - Related party transactions:(Contd.)

Particulars		March 31, 2019	March 31, 2018
Other Receivables	MHR Holdings (Mauritius) Limited	863.07	646.33
	Covington S.a.r.l	169.52	133.41
	Infinity Hospitality Group Company Limited	4.31	4.29
	Gables Promoters Private Limited	24.64	369.90
Other Payables	Infinity Hospitality Group Company Limited	37.58	46.37
	Heritage Bird (M) Sdn Bhd.	10.20	13.43
	Gables Promoters Private Limited	39.08	64.65
	Arabian Dreams Hotels Apartments LLC	144.75	16.55
Corporate guarantees given on behalf of	MHR Holdings (Mauritius) Limited	51,888.97	49,888.21
	Covington S.a.r.l	8,538.20	8,872.60
	Infinity Hospitality Group Company Limited	3,547.80	3,369.60
Loan outstanding against above guarantees	MHR Holdings (Mauritius) Limited	47,324.91	43,919.37
	Covington S.a.r.l	7,762.00	8,066.00
	Infinity Hospitality Group Company Limited	3,241.20	3,224.00
<u>Fellow Subsidiaries / Associates</u>	Mahindra Retail Pvt Ltd	3.88	19.84
Outstanding: Payable	Tech Mahindra Ltd	196.74	129.99
	Bristlecone India Limited	27.49	18.28
	Mahindra Integrated Business Solutions Pvt Ltd	33.16	58.05
Outstanding: Receivable	Mahindra Lifespace Developers Ltd	5.65	3.80
<u>Other entities under the control of the company</u>			
<u>Balances as at :</u>			
Outstanding: Receivable	Mahindra Holidays and Resorts India Limited Employees' Stock Option Trust	48.02	155.00
Outstanding: Payable	Mahindra Holidays and Resorts India Limited Employees' Stock Option Trust	870.68	935.82

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 47 - Ind AS 115 - Revenue from contract with customers

a) Disaggregation of revenue from contracts with customers

The Company derives revenue from the sale of vacation ownership and provide holiday facilities to members over time and at a point in time as under :

Particulars	Year ended March 31, 2019
Revenue from contracts with customers	
Over time (A)	
Vacation Ownership Income	31,546.67
Annual subscription fee	26,139.56
Total A	57,686.23
At a point in time (B)	
Income From resorts:	
Room rentals	4,630.57
Food and beverages	12,941.55
Wine and liquor	444.96
Others	3,953.73
Total B	21,970.81
Total Revenue from contract with customers (A + B)	79,657.04

b) Movement of Deferred Acquisition Cost and Deferred Contract Liability

1 Movement of Deferred Acquisition Cost

Particulars	Year ended March 31, 2019
Opening Balance	64,432.68
i) Additions during the year	8,787.26
ii) Amortised during the year	(4,377.31)
Closing Balance	68,842.63

The deferred acquisition cost relates to incremental costs of acquisition of the member that are deferred over the period of effective membership. Incremental costs are those that would not have been incurred if the contract was not obtained.

2 Movement of Deferred Contract Liability

Particulars	March 31, 2019		
	Vacation Ownership	Annual Subscription Fee	Total
Opening Balance	493,103.38	12,238.79	505,342.17
i) Addition during the year (Net)	49,188.06	27,087.77	76,275.83
ii) Income recognised during the year	(31,546.67)	(26,139.56)	(57,686.23)
Closing Balance	510,744.77	13,187.00	523,931.77

The deferred contract liability relates to the consideration received/receivable from customers, for which services will be provided over the effective membership period and revenue is recognised over that period.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 47 - Ind AS 115 - Revenue from contract with customers (Contd.)
c) Obligations for returns, refunds and other similar obligations:

Particulars	As At March 31, 2019
Return, refunds and other similar obligations	454.98
Total	454.98

The above obligation is only to the extent of revenue recognised, this does not include the obligation on refundable entitlement fees.

d) Revenue expected to be recognised in the future from Deferred Contract Liability:

Time Band	As At March 31, 2019
< 1 Year - Vacation Ownership	34,111.51
< 1 Year - ASF	13,187.00
1 - 2 Year	33,812.31
2 - 3 Year	33,329.39
3 - 4 Year	33,019.38
4 - 5 Year	32,877.56
5-10 Year	156,239.45
> 10 year	187,355.17
Total	523,931.77

The deferred contract liability broken year wise shows summary of Vacation Ownership and Annual subscription fee recognisable over the time. Annual subscription fee being the annual fees chargeable to the member every year over the life of contract.

e) Reconciliation of revenue from contract with customer

Particulars	Year ended March 31, 2019
Revenue from contract with customer as per the contract price	83,084.72
Adjustments made to contract price on account of :-	
Discounts / Rebates / Incentives	(3,427.68)
Revenue from contract with customer as per the statement of Profit and Loss	79,657.04

Note No. 48 - Ind AS 116- Leases

Ind AS 116 is applicable for financial reporting periods beginning on or after 1 April 2019 and replaces existing lease accounting guidance, namely Ind AS 17. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e., rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. The Company is in the process of analysing the impact of new lease standard on its financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 49 - Ind AS 12 Income Taxes

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements..

Note No. 50

The figures for the previous year have been regrouped/ reclassified to correspond with current year's classification/ disclosure.

The financial statements of Mahindra Holidays and Resorts India Limited were approved by the Board of Directors and authorised for issue on May 15, 2019.

In terms of our report attached

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

Koosai Leherly
Partner
Membership Number: 112399
Place: Mumbai
Date: May 15, 2019

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029
Akhila Balachandar
Chief Financial Officer

Place: Mumbai
Date: May 15, 2019

Kavinder Singh
Managing Director & CEO
DIN: 06994031
Dhanraj Mulki
Company Secretary

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mahindra Holidays & Resorts India Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate and its joint venture, which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, associate and joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the

Group, its associate and joint venture as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

I) Revenue recognition in accordance with Ind AS 115 "Revenue from Contracts with Customers" (Ind AS 115) See notes 3 (B), 33 and 52 to the consolidated financial statements	
The key audit matter	How the matter was addressed in our audit
<p>Group has a unique business model and revenue consists of numerous individual transactions</p> <p>Pursuant to application of Ind AS 115 from 1 April 2018, (a) the membership fees and (b) incremental costs to obtain a contract with a customer, are recognised over the effective membership period. The previous accounting standard permitted upfront recognition of the non-refundable admission fees on sale of membership.</p> <p>The application of the new accounting standard on revenue recognition, involves certain judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and the appropriateness of the basis used to recognize revenue over a period.</p> <p>Incremental costs are those that would not have been incurred if the contract was not obtained.</p>	<p>Our audit procedures included following:</p> <ul style="list-style-type: none"> - Evaluating and determining the appropriate accounting policy in accordance with Ind AS 115 for contracts entered with customers. - Evaluating and testing the identification of expenses incurred by the Group, which can get classified as incremental costs of acquisition. - Obtaining the computation for the prior year adjustments for revenue and incremental costs of acquisition, required on transition to Ind AS 115. Testing the computation of the revenue as per Ind AS 115 for past contracts on a sample basis (using statistical sampling). - Evaluating the process followed by the management and evaluating the data used for the purpose of identifying and determining the effective membership period after considering breakage i.e customer's unexercised rights and comparing the basis with historical experience of utilization of memberships.

I) Revenue recognition in accordance with Ind AS 115 "Revenue from Contracts with Customers" (Ind AS 115) See notes 3 (B), 33 and 52 to the consolidated financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The management has applied significant judgement in identifying the expenses which can be treated as incremental cost of acquiring new members.</p> <p>The value of the transition adjustment to Ind AS 115 together with the level of judgement involved make its accounting treatment a significant matter for our audit.</p>	<ul style="list-style-type: none"> - Evaluating the process followed by the management and evaluating the data used for the purpose of deferral of revenue due to uncertainty of collection based on historical trends and considering factors impacting future collections. - Testing the new processes and controls instituted for recognition of revenue and incremental costs of acquisition, over the effective membership period. Involving our IT specialists to test the relevant changes in the IT system for recording revenue and incremental costs of acquisition as per Ind AS 115. - Assessing the adequacy of the Group's disclosures (note 52) in accordance with the requirements of Ind AS 115.

II) Property plant and equipment (change in accounting policy for measurement of freehold land) See note 3 (A) and 4 to the consolidated financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The Group has changed its accounting policy with respect to measurement of freehold land. According to the revised policy, freehold land will be revalued and measured at fair value, based on periodic valuation done by external independent valuer.</p> <p>Significant judgement is required by the valuer in determining the fair value of freehold land. Group owns many land parcels in different jurisdictions.</p> <p>The value of impact of this change in policy for measurement of freehold land together with the level of judgement involved, make its accounting treatment a significant matter for our audit.</p>	<p>Our audit procedures included following:</p> <ul style="list-style-type: none"> - Evaluating and determining the appropriate accounting for change in policy from cost model to revaluation model for freehold land. - Evaluating and testing the objectivity and competence of the management's external expert, involved in fair valuation of the land parcels. - Evaluating the valuation report received from the management's external valuation experts and assessing the work performed by them, including the valuation methodology for each land parcel, along with key judgements made in determining the fair values. - Involving our internal valuation specialists to consider and evaluate the appropriateness of the valuation methodology applied. - Assessing the adequacy of the Group's disclosures (note 3(A)) in respect of the change in accounting policy for measurement of land.

III) Contingent liabilities See note 41 to the consolidated financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The Group has significant tax litigations for both direct and indirect taxes.</p> <p>There is a high level of judgement required in estimating the level of provisioning and appropriateness of disclosure of those litigations in the financial statements.</p> <p>The value of the litigations together with the level of judgement involved make its accounting treatment a significant matter for our audit.</p>	<p>Our audit procedures included following:</p> <ul style="list-style-type: none"> - Reviewing the list of outstanding litigation against the Group. - Inquiring and obtaining explanation for movement during the year. - Reading the latest correspondence between the Group and the various tax/legal authorities for significant matters for evaluation. - Discussing the status of significant litigation with the Group's senior management personnel and assessing their responses. - Review external opinions if any, obtained by the management of the Group from external advisors. - Involving our tax specialists, and discussing with the Group's tax officers, their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws. - Assessing the decisions and rationale for provisions made or for decisions not to record provisions or make disclosures.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint venture is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) as well as associate and joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate and joint venture to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements / financial information of thirty seven subsidiaries, whose financial statements reflect total assets of ₹ 228,059 Lakhs as at 31 March 2019, total revenues of ₹ 134,766 Lakhs and net cash flows amounting to ₹ 176 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements

also include the Group's share of net profit (and other comprehensive income) of ₹ 8 lakhs for the year ended 31 March 2019, in respect of one associate and one joint venture, whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint venture and associate is based solely on the audit reports of the other auditors.

Certain of these subsidiaries, associate and joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries, associate and joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries, associate and joint venture located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, associate and joint venture as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement

of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 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 incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associate and joint venture as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group, its associate and joint venture. Refer Note no. 41 to the consolidated financial statements;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term

contracts including derivative contracts. Refer Note no. 30 to the consolidated financial statements in respect of such items as it relates to the Group, its associate and joint venture;

- iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2019; 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 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2019.
- C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Koosai Leheroy
Partner
(Membership No. 112399)

Mumbai, May 15, 2019

Annexure A to the Independent Auditor's report on the consolidated financial statements of Mahindra Holidays & Resorts India Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with

reference to consolidated financial statements of Mahindra Holidays & Resorts India Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential

components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies, 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 internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Koosai Leherly
Partner

Mumbai, May 15, 2019

(Membership No. 112399)

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current assets			
Property, Plant and Equipment	4	231,423.88	132,466.48
Capital work-in-progress		22,324.55	11,074.59
Goodwill	5	9,509.19	9,784.23
Other Intangible Assets	6	2,947.93	3,685.78
Intangible Assets under development		400.11	92.61
Equity accounted investees	7	169.14	318.18
Financial Assets			
Investments	7	997.77	519.79
Trade Receivables	8	57,091.78	47,514.38
Loans	9	4,673.09	4,289.78
Other financial assets	10	26.56	1,509.44
Deferred Tax Assets (Net)	11(a)	67,317.99	3,765.71
Other non-current tax assets (Net)	12(a)	16,902.80	11,816.70
Deferred Acquisition Cost	12(b)	64,283.21	-
Other non-current assets	12(c)	4,312.40	3,564.19
		482,380.40	230,401.86
Current assets			
Inventories	13	56,952.35	52,013.54
Financial Assets			
Investments	14	31,183.08	44,468.76
Trade receivables	15	111,209.51	107,514.74
Cash and cash equivalents	16	6,012.73	5,631.73
Other bank balances	17	1,927.55	1,570.27
Loans	18	21.96	38.27
Other financial assets	19	27,365.94	1,302.80
Deferred Acquisition Cost	20 (a)	4,559.42	-
Other current assets	20 (b)	6,647.14	7,552.80
		245,879.68	220,092.91
		728,260.08	450,494.77
EQUITY AND LIABILITIES			
Equity			
Equity share capital	21	13,289.98	13,275.95
Other equity	22		
Reserves & Surplus		56,659.00	55,410.02
Revaluation Reserve		78,700.02	-
Foreign Currency Translation Reserve		869.19	2,543.62
Other Comprehensive Income		(93.28)	(84.60)
Transition Difference		(121,267.67)	-
		14,867.26	57,869.04
		28,157.24	71,144.99
Non-Controlling Interests	23	2,937.56	2,735.59
		31,094.80	73,880.58
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	24	56,714.09	71,335.65
Other financial liabilities	25	4,637.64	4,773.30
Provisions	26	578.68	724.34
Deferred Tax Liabilities	11(b)	23,824.34	-
Other Non-Current Liabilities			
Contract Liability - Deferred Revenue	27	479,591.28	204,424.02
		565,346.03	281,257.31
Current liabilities			
Financial Liabilities			
Borrowings	28	1,772.41	2,494.34
Trade Payables	29		
Total outstanding dues of micro enterprises and small enterprises; and		61.18	59.69
Total outstanding dues of creditors other than micro enterprises and small enterprises		28,428.62	26,097.59
Other Financial Liabilities	30	42,465.69	37,276.86
Provisions	31	565.18	352.09
Current Tax Liabilities		-	861.10
Other Current Liabilities			
Deferred Revenue	32(a)	54,766.45	24,425.91
Others	32(b)	3,759.72	3,789.30
		131,819.25	95,356.88
		728,260.08	450,494.77

 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 Leheray
 Partner
 Membership Number: 112399
 Place: Mumbai
 Date : May 15, 2019

For and on behalf of the Board of Directors

Arun Nanda
 Chairman
 DIN: 00010029

Akhila Balachandar
 Chief Financial Officer

 Place: Mumbai
 Date : May 15, 2019

Kavinder Singh
 Managing Director & CEO
 DIN: 06994031

Dhanraj Mulki
 Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
Revenue			
Revenue from operations	33	223,899.36	231,692.20
Other income	34	5,666.69	3,365.62
Total Revenue		229,566.05	235,057.82
Expenses			
Cost of vacation ownership weeks	37(a)	30,850.19	25,025.45
Employee benefits expense	35	57,430.47	54,351.42
Finance costs	36	2,358.80	6,372.65
Depreciation and amortisation expense	4 & 6	10,134.30	9,998.39
Other expenses	37(b)	118,995.87	117,633.61
Total Expenses		219,769.63	213,381.52
Profit before share of profit / (loss) of joint ventures and associates		9,796.42	21,676.30
Share of profit/ (loss) of joint ventures and associates (net of income tax)		8.28	(19.05)
Profit before tax		9,804.70	21,657.25
Tax Expense			
Current tax	38	2,455.31	7,426.56
Deferred tax	38	1,392.20	953.65
Total tax expense		3,847.51	8,380.21
Profit after tax		5,957.19	13,277.04
Profit for the year attributable to:			
Owners of the Company		6,042.04	13,237.21
Non controlling interests		(84.85)	39.83
		5,957.19	13,277.04
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit liabilities/asset		(13.34)	(109.44)
Freehold land revaluation		103,587.49	-
Income taxes related to items that will not be reclassified to profit or loss		(23,883.30)	37.87
Items that may be reclassified to profit or loss			
Exchange differences on translating the financial statements of foreign operations		(2,174.66)	6,194.48
Net Gain/(Loss) on net investment hedge		500.23	-
Income taxes related to items that may be reclassified to profit or loss		-	-
Total Other Comprehensive Income		78,016.42	6,122.91
Other comprehensive income for the year attributable to:			
Owners of the Company		77,247.20	6,039.23
Non controlling interests		769.22	83.68
		78,016.42	6,122.91
Total comprehensive income for the year		83,973.61	19,399.95
Total comprehensive income for the year attributable to:			
Owners of the Company		83,289.24	19,276.44
Non controlling interests		684.37	123.51
		83,973.61	19,399.95
Earnings per equity share			
(face value of ₹ 10 per share)			
Basic	39	4.55	9.99
Diluted	39	4.54	9.95

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 Leherly
Partner
Membership Number: 112399
Place: Mumbai
Date : May 15, 2019

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Akhila Balachandar
Chief Financial Officer

Place: Mumbai
Date : May 15, 2019

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Dhanraj Mulki
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD YEAR MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax for the year	9,804.70	21,657.25
Adjustments for:		
Finance costs	2,358.80	2,232.88
Interest income	(1,726.65)	(618.79)
Dividend income	(31.84)	(177.81)
Impairment loss recognised on trade receivables	438.25	555.77
Depreciation and amortisation of non-current assets	10,134.30	9,998.39
Net (Gain)/Loss on disposal of property, plant and equipment	(107.85)	(613.71)
Net foreign exchange (gain)/loss	(1,841.95)	10,823.20
Net gain on investments carried at FVTPL	(3,038.59)	(1,517.80)
Equity-settled share-based payments	148.45	272.08
Share of profit of associates and joint venture	(8.28)	19.05
	6,324.64	20,973.26
Operating profit before working capital changes	16,129.34	42,630.51
Movements in working capital:		
(Increase)/decrease in trade and other receivables	10,621.91	(5,431.64)
Increase in inventories	(6,535.73)	(12,474.99)
(Decrease)/increase in trade and other payables	(546.93)	2,030.42
Increase in provisions	67.43	28.54
Increase in deferred revenue	16,172.31	19,367.93
(Decrease)/increase in other liabilities	(1,087.81)	17,716.58
	18,691.17	21,236.83
Cash generated from operations	34,820.52	63,867.35
Income taxes paid	(8,497.74)	(8,767.80)
NET CASH GENERATED BY OPERATING ACTIVITIES	26,322.78	55,099.55
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Interest received	805.81	618.79
Dividend income	31.84	177.81
Placement of fixed deposit and other deposits	(25,150.00)	(2,000.00)
Proceeds from maturity of Deposits	1,250.00	-
Payments for property, plant and equipment and intangibles	(17,415.93)	(21,093.98)
Proceeds from disposal of property, plant and equipment	982.98	774.69
Purchase of investment	(47,164.96)	(78,150.00)
Purchase of equity investment	(473.89)	(189.62)
Sale of equity investment	144.95	-
Proceeds from disposal of investment	63,224.89	45,155.92
NET CASH (USED IN)/GENERATED BY INVESTING ACTIVITIES	(23,764.31)	(54,706.39)

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from borrowings	17,279.71	13,087.38
Repayment of borrowings	(10,294.59)	(20,482.35)
Proceeds from issue of equity share capital	258.74	585.60
Dividends paid to owners of the Company (including Dividend Distribution Tax)	(6,437.20)	(5,346.03)
Acquisition of Non controlling interest	(762.26)	-
Interest paid	(2,113.91)	(2,217.62)
NET CASH (USED IN) /GENERATED FROM FINANCING ACTIVITIES	(2,069.51)	(14,373.02)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	488.96	(13,979.86)
Cash and cash equivalents at the beginning of the year	5,631.73	19,611.59
Effect of exchange rate fluctuations on cash held	(107.96)	-
Cash and cash equivalents at the end of the year (Refer note no 16)	6,012.73	5,631.73

See accompanying notes to the financial statements
In terms of our report attached

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

Koosai Leherly
Partner
Membership Number: 112399
Place: Mumbai
Date : May 15, 2019

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Akhila Balachandar
Chief Financial Officer

Place: Mumbai
Date : May 15, 2019

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Dhanraj Mulki
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
Statement of Changes in Equity

All amounts are in ₹ Lakhs unless otherwise stated

	Share Capital	Other Equity										Attributable to owners of the Company	Non-Controlling Interests (NCI)	Total			
		Reserves and Surplus									Foreign Currency Translation Reserve				Other Comprehensive Income Actuarial Gain / (Loss)	Revaluation Reserve	Transition difference
		Capital Reserve	Securities Premium	General Reserve	Share Options Outstanding Account	Capital Redemption Reserve	FCM/TDR	Retained Earnings									
	Equity Share Capital																
		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)	-	-		73,880.58		
			-	-	-	-	-	-	6,042.04	-	-	-	-		5,957.19		
			-	-	-	148.45	-	-	-	-	-	-	-		148.45		
	1100		-	182.60	-	-	-	-	-	-	-	-	-		193.60		
	303		-	62.11	-	-	-	-	-	-	-	-	-		65.14		
		-	-	-	-	-	-	-	-	-	78,878.28	-	-	833.80	79,712.08		
		-	-	-	-	-	-	-	178.26	-	-	(178.26)	-	-	-		
		-	-	-	-	-	-	-	-	-	-	(121,267.67)	-	-	(121,267.67)		
		-	-	-	-	-	-	-	-	-	(8.68)	-	-	-	(8.68)		
		-	-	-	-	-	-	-	(6,440.24)	-	-	-	-	-	(6,440.24)		
		-	-	-	-	-	-	-	-	500.23	-	-	-	-	500.23		
		-	-	-	-	-	-	-	(279.86)	-	-	-	-	(482.40)	(762.26)		
		-	-	-	-	-	-	1,355.61	-	(2,174.66)	-	-	-	(819.04)	(883.62)		
		13,289.98	44.75	10,312.44	10,381.68	1,265.92	145.80	(450.97)	34,959.37	869.19	(93.28)	78,700.02	(121,267.67)	2,937.56	31,094.80		

	Share Capital	Other Equity										Attributable to owners of the Company	Non-Controlling Interests (NCI)	Total		
		Equity Share Capital	Reserves and Surplus							Foreign Currency Translation Reserve	Other Comprehensive Income Actuarial Gain/ (Loss)				Revaluation Reserve	Transition difference
			Capital Reserve	Securities Premium	General Reserve	Share Options Outstanding Account	Capital Redemption Reserve	FCMITDR	Retained Earnings							
Balance at the beginning of reporting year April 1, 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)	-	59,738.60	2,825.46	62,564.05		
Profit for the year	-	-	-	-	-	-	-	13,237.21	-	-	-	13,237.21	39.83	13,277.04		
Additions during the year	-	-	-	-	272.08	-	-	-	-	-	-	272.08	-	272.08		
Bonus Issue	4,415.52	-	(4,415.52)	-	-	-	-	-	-	-	-	-	-	-		
Capitalisation of share issue expenses	-	-	(37.44)	-	-	-	-	-	-	-	-	(37.44)	-	(37.44)		
Fresh issue of shares	24.50	-	561.10	-	-	-	-	-	-	-	-	585.60	-	585.60		
Issue of shares by ESOP Trust	12.48	-	153.90	(2.68)	-	-	-	-	-	-	-	163.70	-	163.70		
OCI component of actuarial gains/ (losses) (Net of Taxes)	-	-	-	-	-	-	-	-	-	(71.57)	-	(71.57)	-	(71.57)		
Dividends (including Dividend Distribution Tax)	-	-	-	-	-	-	-	(5,346.03)	-	-	-	(5,346.03)	-	(5,346.03)		
Acquisition of NCI	-	-	-	-	-	-	-	(108.97)	-	-	-	(108.97)	(213.38)	(322.35)		
Changes during the year	-	-	-	-	-	-	(3,482.67)	-	6,194.48	-	-	2,711.81	83.68	2,795.49		
Balance at the end of reporting year March 31, 2018	13,275.95	44.75	10,067.73	10,381.68	1,117.47	145.80	(1,806.58)	35,459.17	2,543.62	(84.60)	-	71,144.99	2,735.59	73,880.58		

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 Leheri

Partner

Membership Number: 112399

Place: Mumbai

Date : May 15, 2019

For and on behalf of the Board of Directors

Arun Nanda

Chairman

DIN: 00010029

Akhila Balachandrar

Chief Financial Officer

Kavinder Singh

Managing Director & CEO

DIN: 06994031

Dhanraj Mulki

Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1 Corporate Information

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

2 (a) Significant accounting policies

(i) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

(ii) Basis of preparation and presentation

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

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

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

(iii) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration

paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The consolidated financial statements present the consolidated accounts which consist of accounts of the Company and that of the following subsidiaries, joint venture and associates

Name of the Company	Country of incorporation	Effective holding as of March 31		Subsidiary/ Joint Venture/ Associate since
		2019	2018	
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	96.47%	95.16%	2-Sep-15
Holiday Club Sweden Ab Åre, Sweden	Sweden	96.47%	95.16%	2-Sep-15
Ownership Services Sweden Ab	Sweden	96.47%	95.16%	2-Sep-15
Are Villa 1 Ab	Sweden	96.47%	95.16%	2-Sep-15
Are Villa 2 Ab	Sweden	96.47%	95.16%	2-Sep-15
Åre Villa 3 AB	Sweden	96.47%	95.16%	26-Jan-18
Holiday Club Canarias Investments S.L.	Spain	96.47%	95.16%	2-Sep-15

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Name of the Company	Country of incorporation	Effective holding as of March 31		Subsidiary/ Joint Venture/ Associate since
		2019	2018	
Holiday Club Canarias Sales & Marketing S.L.	Spain	96.47%	95.16%	2-Sep-15
Holiday Club Canarias Resort Management S.L.	Spain	96.47%	95.16%	2-Sep-15
Passeport Sante SL	Spain	96.47%	-	18-Dec-18
Holiday Club Resorts Rus LLC	Russia	96.47%	95.16%	2-Sep-15
Suomen Vapaa-aikakiinteistöt Oy LKV	Finland	96.47%	95.16%	2-Sep-15
Kiinteistö Oy Himos Gardens	Finland	96.47%	95.16%	2-Sep-15
Kiinteistö Himoksen Tähti 2 Oy +	Finland	-	95.16%	2-Sep-15
Kiinteistö Oy Vanha Ykköstii	Finland	96.47%	95.16%	2-Sep-15
Kiinteistö Oy Katinnurkka	Finland	96.47%	95.16%	2-Sep-15
Kiinteistö Oy Tenetinjahti	Finland	96.47%	95.16%	2-Sep-15
Kiinteistö Oy Mällösniemi	Finland	96.47%	95.16%	2-Sep-15
Kiinteistö Oy Rauhan Ranta 1	Finland	96.47%	95.16%	2-Sep-15
Kiinteistö Oy Rauhan Ranta 2	Finland	96.47%	95.16%	2-Sep-15
Kiinteistö Oy Tiurunniemi	Finland	96.47%	95.16%	2-Sep-15
Kiinteistö Oy Rauhan Liikekiinteistöt 1	Finland	96.47%	95.16%	2-Sep-15
Supermarket Capri Oy	Finland	96.47%	95.16%	2-Sep-15
Kiinteistö Oy Kylpyläntorni 1	Finland	96.47%	95.16%	2-Sep-15
Kiinteistö Oy Spa Lofts 2	Finland	96.47%	95.16%	2-Sep-15
Kiinteistö Oy Spa Lofts 3	Finland	96.47%	95.16%	2-Sep-15
Kiinteistö Oy Kuusamon Pulkajärvi 1	Finland	96.47%	95.16%	2-Sep-15
Holiday Club Sport and Spa Hotels AB (Visionsbolaget 10088 AB)	Sweden	49.20%	48.53%	1-Dec-15
<u>Joint venture</u>				
Tropiikin Rantasauna Oy	Finland	48.23%	47.58%	31-Aug-16
<u>Associate</u>				
Kiinteistö Oy Seniori-Saimaa €	Finland	29.91%	29.50%	2-Sep-15
Koy Sallan Kylpylä €* ++	Finland	-	46.63%	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 Koy Sallan Kylpylä based on the contractual agreement entered into with the municipality of Salla.

+ was subsidiary upto May 14, 2018

++ was associate till March 5, 2019

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, 2019

All amounts are in ₹ Lakhs unless otherwise stated

(iv) Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financials Statements to Schedule III to the Companies Act, 2013

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	95.46%	29,682.08	107.20%	6,386.23	94.75%	73,921.20	95.63%	80,307.43
2	Subsidiaries								
	a. Indian:								
	Gables Promoters (P) Ltd.	26.89%	8,361.89	(2.94%)	(174.96)	3.06%	2,387.18	2.63%	2,212.22
	Mahindra Hotels & Residences India Limited	(0.04%)	(12.78)	(0.03%)	(1.76)	0.00%	-	0.00%	(1.76)
	Mahindra Holidays & Resorts India Ltd Employee Stock Option Trust	2.66%	827.60	0.36%	21.58	0.00%	-	0.03%	21.58
	b. Foreign:								
	Heritage Bird (M) Sdn Bhd	0.03%	10.88	0.50%	29.79	0.00%	-	0.04%	29.79
	MH Boutique Hospitality Ltd	(0.78%)	(243.18)	(1.15%)	(68.30)	0.00%	-	(0.08%)	(68.30)
	Infinity Hospitality Group Company Limited	11.49%	3,572.84	(2.76%)	(164.24)	3.01%	2,351.35	2.60%	2,187.11
	Covington S.a.r.l	49.28%	15,325.01	33.05%	1,968.65	0.00%	-	2.34%	1,968.65
	MHR Holdings (Mauritius) Limited	(9.83%)	(3,055.19)	5.84%	347.68	0.00%	-	0.41%	347.68
	Holiday Club Resorts Oy	145.29%	45,178.20	1.83%	108.78	0.25%	197.32	0.36%	306.10
	Holiday Club Resorts Management Oy	5.54%	1,723.38	1.11%	66.39	0.00%	-	0.08%	66.39
	Arabian Dreams Hotels Apartments LLC	(0.18%)	(57.04)	6.13%	365.23	0.00%	-	0.43%	365.23
3	Non Controlling Interest	9.45%	2,937.56	(1.42%)	(84.85)	0.99%	769.22	0.81%	684.37
4	Share of profit/(loss) in associate			0.14%	8.28	0.00%	-	0.01%	8.28
	Inter- Company Elimination & Consolidation Adjustments	(235.27%)	(73,156.45)	(47.86%)	(2,851.31)	(2.06%)	(1,609.85)	(5.31%)	(4,461.16)
	TOTAL	100.00%	31,094.80	100.00%	5,957.19	100.00%	78,016.42	100.00%	83,973.61

(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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

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(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

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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.

The Group has adopted Ind AS 115, Revenue from Contracts with Customers (which replaces earlier revenue recognition standards) using the cumulative effect method (without practical expedients), the effect of which is recognised at the date of initial application (i.e. April 1, 2018) and has been stated as transition difference in Other Equity.

Revenue from Membership fees

Under Ind AS 115- The Group will recognise the membership fees over the tenure of membership as the performance obligation is fulfilled over the tenure of membership (33 years / 25 years / 10 years or any other tenure applicable to the respective member). The Group will recognise revenue on a straight line basis over the tenure of membership after considering the expected customer unexercised rights from date of admission of each member. The revenue which will be recognised in future periods are disclosed under other liabilities – contract liability - deferred

revenue-vacation ownership. Revenue from consumer offers and other benefits provided on membership are recognized as and when such benefits are provided to members at its respective fair value.

Discounts and other incentives provided to the customer's are reduced from the overall contract value. Incremental costs of acquisition of the members are deferred over the period of effective membership in line with revenue deferral. Incremental costs are those that would not have been incurred if the contract was not obtained. Such cost which will be amortised in the future period are disclosed under deferred acquisition cost.

In the previous year under Ind AS 18 - Admission fee was 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, was 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 – Contract Liability - Deferred revenue- Vacation Ownership.

Revenue from Annual subscription fees

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

Interest income on deferred payment plans

Under Ind AS 18, 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.

Under Ind AS 115, interest revenue is recognised only to the extent that a contract asset (or receivable) or a contract liability is recognised in accounting for a contract with the customer. Also refer accounting policy for financial instruments (note no xx).

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Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the Group. Revenue with respect to instalments/contracts where there is an uncertainty about collectability, is deferred (even though the membership is not cancelled). The estimation of such revenues where there is uncertainty in collection has been made by the Group based on past trends of year-wise cancellation of memberships and considering factors impacting future collections.

- b. Revenue from sale of vacation ownership weeks is recognized when related right to use the specific property over the specific week(s) is transferred to the buyer for a consideration, which coincides with transfer of significant risks and rewards of ownership.
- c. Income from sale of vacation ownership weeks in villas under construction is deferred until the point in time when construction activities are deemed to be completed, occupancy of the development is permissible, customer has executed a binding sales contract, collectability is reasonably assured, the purchaser's period to cancel for a refund has expired and the customer has the right to use. Project revenue and contract costs associated with the contract are recognized on completion of the performance obligations as mentioned above.

Under Ind AS 18, 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. 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 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 consumed.

(x) Foreign currencies

The financial statements of the Group are presented in Indian Rupees (₹), which is the Group's functional currency. In preparing the financial statements of 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

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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 Foreign 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 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 March 31, 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 the statement of profit or loss in the period in which they are incurred.

(xii) Employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

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

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

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

Short-term and other long-term employee benefits

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

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

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

(xiii) Share based payment arrangements

Equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based transactions are set out in Note no 21.

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

in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Share options outstanding account in Reserves & Surplus.

(xiv) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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

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the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred taxes are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on the tax rates and the tax laws enacted or substantively enacted as at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Current and deferred tax are recognised in the statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(xv) Property, plant and equipment

Buildings held for use in the supply or production of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is valued at Fair value based on valuations by external independent valuers at sufficient regularity. Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the revaluation reserve.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

PPE in the course of construction for supply, production or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and other directly attributable expenses for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and

equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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
Motor 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 the statement of profit or loss.

(xvi) Intangible assets

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a

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straight-line basis over their estimated useful lives. The intangible assets of the overseas operations have also been depreciated based on useful lives, estimated by the respective managements on a straight line basis. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Category of Asset	Estimated useful lives
Computer Software and website development costs	3 years
Trademarks	10 years
Customer relationship	3 years
Management contracts	1-10 years

The intangible assets of the overseas operations have also been amortised based on useful life, estimated by the respective managements on a straight line basis.

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the statement of profit or loss when the asset is derecognized.

(xvii) Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating

units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

(xviii) Inventories

Inventories are carried at the lower of cost and net realizable value. Costs of inventories are determined on a moving weighted average basis. Cost includes the purchase price, non-refundable taxes and delivery handling cost. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(xix) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered

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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.

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

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(xxi) Financial assets

A financial asset is any asset that is:

(a) cash;

(b) an equity instrument of another entity;

(c) a contractual right:

(i) to receive cash or another financial asset from another entity; or

(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the Group; 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 Group is or may be obliged to receive a variable number of the entity's own equity instruments; or

(ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments.

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as 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)":

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the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Interest income is recognized in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

A debt instrument that meets the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Debt instruments classified as FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The Group has not designated any debt instrument as at FVTPL.

Equity

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Equity instruments at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend earned on the financial asset and is included under 'Other income'. Dividend on financial assets at FVTPL is recognized when the Group's right to receive the dividends is

established and the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Investments in equity instruments of subsidiaries, joint ventures and associates are measured at cost.

Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, and other contractual rights to receive cash or other financial asset not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses considering the nature of industry and the deferred payment schemes operated.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Foreign exchange gains and losses on financial assets

The fair value of financial assets denominated in a foreign currency is determined in that foreign

currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognized in the statement of profit or loss.

Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in other comprehensive income.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortized cost are recognized in the statement of profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income.

(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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

- (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 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Interest expense that is not capitalised as part of cost of an asset is included under Finance cost.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risks, including interest rate swaps. Further details of derivative financial instruments are disclosed in Note No. 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 statement of profit and loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of profit or loss.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender

of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognized in the statement of profit or loss.

(xxiii) Cash flow statements

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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

(xxiv) Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(xxv) Insurance Claims

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

(xxvi) Operating cycle

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

(xxvii) Net investment hedge:

The Group hedges certain net investment in foreign subsidiaries. Accordingly, any foreign exchange differences on the hedging instrument (viz. borrowings) relating to the effective portion of the hedge is recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR') - a component of equity, so as to offset the change in the value of the net investment being hedged. The ineffective portion of the gain or loss on these hedges is immediately recognised in the statement of profit and loss. The amounts accumulated in equity are included in the statement of profit and loss when the foreign operation is disposed or partially disposed.

2 (b) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described above, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below :

a. Share based payments

The Group initially measures the cost of equity settled transactions with employees using the Black Scholes model to determine the fair value of the options granted. Estimating the fair value of the share options granted require determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating the fair value for the share based payment transactions are disclosed under Note No. 21.

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. Life time Expected credit losses

Life time expected credit loss allowance is computed based on historical credit loss experience and adjusted for forward-looking information on collection.

e. Estimation towards revenue deferred due to uncertainty of collection

The quantum of revenue deferred due to uncertainty of collection is computed based on past trends of year-wise cancellation of memberships and considering factors impacting future collections.

f. Significant Financing Component

Given the nature of vacation ownership business, the Group has determined that membership fee does not include a significant financing component. Where the payment is received in installments, the Group charges appropriate interest to the members.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

g. Customer unexercised rights

The Group considers the expected customers unexercised rights, while determining the effective membership period over which the membership fee needs to be recognised. This customer unexercised right is computed based on past trend of customer utilisation of membership.

h. Litigation for taxation matters

The Group is subject to tax litigation, the outcome of which is subject to many uncertainties inherent

in litigation such as interpretation of legislation, outcome of appeals etc. Litigation provisions are reviewed at each accounting period and revisions made for the change in facts and circumstances.

i. Fair valuation of Freehold land

Freehold land is measured at Fair value based on valuations by external independent valuers using the market approach at sufficient regularity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

3 Changes in significant accounting policies

A) Revaluation of freehold land

As at September 30, 2018, the Group has changed its accounting policy with respect to measurement of freehold land. According to the revised policy, freehold land is revalued and measured at fair value, based on periodic valuation done by external independent valuer using market approach. Any revaluation surplus is recorded in OCI and credited to Revaluation reserve in other equity. This revaluation surplus is not available for distribution to shareholders.

	Amount
Revaluation surplus as at March 31, 2019	103,587.49
Deferred tax on the above revaluation	(23,878.64)
As at March 31, 2019	79,708.85

The carrying amount of freehold land as at March 31, 2019 under cost and revaluation model are given below:

Block of asset	Revaluation Model	Cost Model
Freehold Land	127,001.20	23,672.64

B) Adoption of IND AS 115 - Revenue from Contracts with Customers

This is the first set of the Group's annual financial statements in which Ind AS 115 Revenue from Contracts with Customers have been applied. Changes to significant accounting policies are described below;

The Group has applied the modified retrospective approach as per para C3(b) of Ind AS 115 to contracts that were not completed as on April 1, 2018 and the cumulative effect of applying this standard is recognised at the date of initial application i.e. April 1, 2018 in accordance with para C7 of Ind AS 115 as an adjustment to the other equity. The transitional adjustment in books of ₹ 121,267.07 lakhs (net of deferred tax) has been stated as Transition Difference under other equity based on the requirements of the Ind AS 115. b) Due to the application of Ind AS 115, membership fees and incremental cost to obtain and/or fulfill a contract with a customer, as applicable, is recognised over the effective membership period. The previous standard permitted the upfront recognition of the non refundable admission fees on sale of membership.

Accordingly, the information presented for FY 2017-18 has not been restated, hence the figures are not comparable to that extent – i.e. it is presented, as previously reported, under Ind AS 18 and related interpretations. Additionally, the disclosure requirements in IND AS 115 have not generally been applied to comparative information.

The cash flow statement has been prepared using the indirect method after adjusting the opening balance sheet as at 1st April 2018 for the impact of Ind AS 115.

The following tables summarise the impacts of adopting Ind AS 115 on the statement of financial position as at 31st March 2019 and its statement of profit or loss and OCI for the year then ended for each of the line items affected.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

3 Changes in significant accounting policies (Contd.)

Particulars	As at 31-Mar-19			As at 31-Mar-18
	As reported	Impact of Ind AS 115	Amount without adoption of Ind AS 115	Amount without adoption of Ind AS 115
A ASSETS				
Non-current assets				
Property, Plant and Equipment	2,31,423.88	-	2,31,423.88	1,32,466.48
Capital work-in-progress	22,324.55	-	22,324.55	11,074.59
Goodwill	9,509.19	-	9,509.19	9,784.23
Other intangible assets	2,947.93	-	2,947.93	3,685.78
Intangible assets under development	400.11	-	400.11	92.61
Equity accounted investees	169.14	-	169.14	318.18
Financial Assets				
Investments				
Other Investments	997.77	-	997.77	519.79
Trade receivables	57,091.78	(5,543.82)	51,547.96	47,514.38
Loans	4,673.09	-	4,673.09	4,289.78
Others	26.56	-	26.56	1,509.44
Deferred Tax Assets (Net)	67,317.99	(70,315.92)	(2,997.93)	3,765.71
Other non-current Tax Assets (Net)	16,902.80	(23.00)	16,879.80	11,816.70
Deferred Acquisition Cost	64,283.21	(64,283.21)	-	-
Other non-current assets	4,312.40	-	4,312.40	3,564.19
	4,82,380.40	(1,40,165.95)	3,42,214.45	2,30,401.86
Current assets				
Inventories	56,952.35	(4,628.42)	52,323.93	52,013.54
Financial Assets				
Investments	31,183.08	-	31,183.08	44,468.76
Trade receivables	1,11,209.51	(11,488.87)	99,720.64	1,07,514.74
Cash and cash equivalents	6,012.73	-	6,012.73	5,631.73
Other Bank Balances	1,927.55	-	1,927.55	1,570.27
Loans	21.96	-	21.96	38.27
Others	27,365.94	-	27,365.94	1,302.80
Deferred Acquisition Cost	4,559.42	(4,559.42)	-	-
Other current assets	6,647.14	-	6,647.14	7,552.80
	2,45,879.68	(20,676.71)	2,25,202.97	2,20,092.91
Total Assets	7,28,260.08	(1,60,842.66)	5,67,417.42	4,50,494.77
B EQUITY AND LIABILITIES				
Equity				
Equity share capital	13,289.98	-	13,289.98	13,275.95
Other Equity				
Reserves & Surplus	56,659.00	10,563.71	67,222.70	55,410.02
Revaluation Reserve	78,700.02	-	78,700.02	-
Foreign Currency Translation Reserve	869.19	(105.10)	764.09	2,543.62
Other Comprehensive Income	(93.28)	-	(93.28)	(84.60)
Transition Difference	(1,21,267.67)	1,21,267.67	-	-
	28,157.24	1,31,726.28	1,59,883.51	71,144.99
Non-Controlling Interests (NCI)	2,937.56	46.47	2,984.03	2,735.59
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
Borrowings	56,714.09	-	56,714.09	71,335.65
Other financial liabilities	4,637.64	-	4,637.64	4,773.30
Provisions	578.68	-	578.68	724.34
Deferred Tax Liabilities (Net)	23,824.34	-	23,824.34	-
Other non-current liabilities				
Contract Liability-Deferred Revenue	4,79,591.28	(2,68,925.72)	2,10,665.56	2,04,424.02
	5,65,346.03	(2,68,925.72)	2,96,420.31	2,81,257.31
Current liabilities				
Financial Liabilities				
Borrowings	1,772.41	-	1,772.41	2,494.34
Trade payables				
Total outstanding dues of micro enterprises and small enterprises; and	61.18	-	61.18	59.69
Total outstanding dues of creditors other than micro enterprises and small enterprises	28,428.62	(2,659.39)	25,769.23	26,097.59
Other financial liabilities	42,465.69	7,491.63	49,957.32	37,276.86
Provisions	565.18	-	565.18	352.09
Current Tax Liabilities	-	-	-	861.10
Other current liabilities				
Contract Liability-Deferred Revenue	54,766.45	(28,521.92)	26,244.53	24,425.91
Others	3,759.72	-	3,759.72	3,789.30
	1,31,819.25	(23,689.68)	1,08,129.57	95,356.88
Total Equity & Liabilities	7,28,260.08	(1,60,842.66)	5,67,417.42	4,50,494.77

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

3 Changes in significant accounting policies (Contd.)

Particulars	Year ended 31 March 2019			Year ended 31 March 2018
	As reported	Impact of Ind AS 115	Amount without adoption of Ind AS 115	Amount without adoption of Ind AS 115
1. Revenue from Operations	2,23,899.36	19,824.68	2,43,724.04	2,31,692.20
2. Other Income	5,666.69	-	5,666.69	3,365.62
3. Total Income (1+2)	2,29,566.05	19,824.68	2,49,390.73	2,35,057.82
4. Expenses				
a. Cost of vacation ownership weeks	30,850.19	(2,621.61)	28,228.58	25,025.45
b. Employee benefits expense	57,430.47	2,195.65	59,626.12	54,351.42
c. Finance costs				
- Translation difference on account of external borrowings	-	-	-	4,139.77
- Other finance cost	2,358.80	-	2,358.80	2,232.88
d. Depreciation and amortisation expense	10,134.30	-	10,134.30	9,998.39
e. Other expenses	1,18,995.87	4,363.94	1,23,359.81	1,17,633.61
5. Total Expenditure	2,19,769.63	3,937.98	2,23,707.61	2,13,381.52
6. Profit before share of profit / (loss) of joint ventures and associates (3-5)	9,796.42	15,886.70	25,683.12	21,676.30
7. Share of profit / (loss) of joint venture and associates	8.28	-	8.28	(19.05)
8. Profit before tax (6-7)	9,804.70	15,886.70	25,691.40	21,657.25
9. Tax expense				
- Current tax	2,455.31	-	2,455.31	7,426.56
- Deferred tax	1,392.20	5,272.68	6,664.88	953.65
Total tax expense on 8 above	3,847.51	5,272.68	9,120.19	8,380.21
10. Profit after tax for the period (8-9)	5,957.19	10,614.02	16,571.21	13,277.04
Profit for the period attributable to:				
Owners of the Company	6,042.04	10,563.70	16,605.74	13,237.21
Non controlling interests	(84.85)	50.31	(34.54)	39.83
	5,957.19	10,614.01	16,571.20	13,277.04
11. Other comprehensive income				
A. Items that will not be reclassified to profit or loss				
Remeasurements of the defined benefit liabilities / (asset)	(13.34)	-	(13.34)	(109.44)
Freehold land revaluation	1,03,587.49	-	1,03,587.49	-
Income taxes related to items that will not be reclassified to profit or loss	(23,883.30)	-	(23,883.30)	37.87
B. Items that may be reclassified to profit or loss				
Exchange differences on translating the financial statements of foreign operations	(2,174.66)	(105.10)	(2,279.76)	6,194.48
Net Gain/(loss) on Net investment hedge	500.23	-	500.23	-
Income taxes related to items that may be reclassified to profit or loss	-	-	-	-
Total Other Comprehensive Income (A+B)	78,016.42	(105.10)	77,911.32	6,122.91
Other comprehensive income for the year attributable to:				
Owners of the Company	77,247.20	(101.25)	77,145.95	6,039.23
Non controlling interests	769.22	(3.85)	765.37	83.68
	78,016.42	(105.10)	77,911.32	6,122.91
12. Total comprehensive income for the year (10+11)	83,973.61	10,508.92	94,482.53	19,399.95
Total comprehensive income for the year attributable to:				
Owners of the Company	83,289.24	10,462.45	93,751.70	19,276.44
Non controlling interests	684.37	46.46	730.83	123.51
	83,973.61	10,508.91	94,482.53	19,399.95
13. Earnings Per Share on Profit for the period (sl no 10) in Rupees (not annualized)				
(a) Basic (in ₹)	4.55		12.50	9.99
(b) Diluted (in ₹)	4.54		12.49	9.95

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 4 - Property, Plant and Equipment:

Description of Assets	Land - Freehold	Buildings - Freehold	Buildings - Leasehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block								
Balance as at April 1, 2018	23,712.47	96,195.65	156.09	42,599.06	2,491.61	27,563.52	1,253.43	193,971.83
Additions	644.09	756.24	-	2,864.63	143.98	1,471.22	139.45	6,019.61
Disposals	(546.60)	(54.75)	-	(1,608.21)	(286.02)	(265.87)	(89.56)	(2,851.01)
Revaluation (Refer Note no. 3A)	103,328.56	-	-	-	-	-	-	103,328.56
Others (including reclassifications)	-	(0.02)	-	0.66	(1.45)	0.55	0.26	-
Effect of foreign currency exchange differences	(137.31)	(778.02)	-	(729.58)	(0.18)	(413.97)	-	(2,059.06)
Balance as at March 31, 2019	127,001.21	96,119.10	156.09	43,126.56	2,347.94	28,355.45	1,303.58	298,409.93
II. Accumulated depreciation								
Balance as at April 1, 2018	-	15,020.36	156.09	25,835.68	2,200.00	17,661.11	632.11	61,505.35
Depreciation for the year	-	2,359.05	-	4,024.03	147.33	1,997.46	146.89	8,674.76
Eliminated on disposal of assets	-	(10.76)	-	(1,506.41)	(284.85)	(249.12)	(76.28)	(2,127.42)
Others (including reclassifications)	-	-	-	1.60	(1.90)	0.10	0.20	-
Effect of foreign currency exchange differences	-	(212.45)	-	(603.42)	0.83	(251.62)	-	(1,066.64)
Balance as at March 31, 2019	-	17,156.20	156.09	27,751.48	2,061.41	19,157.95	702.92	66,986.05
Net block (I-II)								
Balance as at March 31, 2019	127,001.21	78,962.90	-	15,375.08	286.53	9,197.50	600.66	231,423.88
Balance as at March 31, 2018	23,712.47	81,175.29	-	16,763.38	291.61	9,902.41	621.32	132,466.48

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	39,263.89	2,393.49	18,551.25	1,129.87	162,165.43
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	42,599.06	2,491.61	27,563.52	1,253.43	193,971.83
II. Accumulated depreciation								
Balance as at April 1, 2017	-	8,644.09	156.09	23,861.88	2,039.63	11,177.21	521.46	46,400.36
Depreciation / amortisation 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	25,835.68	2,200.00	17,661.11	632.11	61,505.35
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	22,472.25	69,364.29	-	15,402.01	353.86	7,374.01	608.41	115,765.07

*During the Previous year, disclosure of certain assets under plant and equipment were on net basis in the gross block and accumulated depreciation, with no impact on the net block. These have now been presented on a gross basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 5 - Goodwill

Particulars	As at March 31, 2019	As at March 31, 2018
I. Cost		
Balance at beginning of the year	9,784.23	6,826.36
Translation and other adjustments	(275.04)	2,957.88
Balance at end of the year	9,509.19	9,784.23
II. Accumulated impairment losses	-	-
III. Net carrying amount (I-II)	9,509.19	9,784.23

The Goodwill is tested for impairment and accordingly no impairment charges were identified for the year ended March 31, 2019 and March 31, 2018.

The Goodwill arises from the following Group's Cash Generating Units (CGU):

Particulars	As at March 31, 2019	As at March 31, 2018
MHRIL	2,534.29	2,534.29
HCRO	6,974.90	7,249.94
Total	9,509.19	9,784.23

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, 2019	As at March 31, 2018
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs 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 Block					
Balance as at April 1, 2018	10,778.88	1,387.35	1,007.65	217.78	13,391.66
Additions	786.40	-	-	-	786.40
Disposals	-	-	-	-	-
Effect of foreign currency exchange differences	(141.79)	(52.29)	(37.97)	(8.21)	(240.26)
Balance as at March 31, 2019	11,423.49	1,335.06	969.68	209.57	13,937.80
II. Accumulated depreciation					
Balance as at April 1, 2018	8,777.12	358.40	382.83	187.53	9,705.88
Amortization expense for the year	1,205.59	139.13	84.49	30.33	1,459.54
Eliminated on disposal of assets	-	-	-	-	-
Effect of foreign currency exchange differences	(130.28)	(19.13)	(17.85)	(8.29)	(175.55)
Balance as at March 31, 2019	9,852.43	478.40	449.47	209.57	10,989.87
Net block (I-II)					
Balance as at March 31, 2019	1,571.06	856.66	520.21	-	2,947.93
Balance as at March 31, 2018	2,001.76	1,028.95	624.82	30.25	3,685.78

Description of Assets	Computer Software & Website development cost	Trademarks	Management Contracts	Customer Relationships	Total
I. Gross Block					
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	-	-	-	-	-
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					
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	-	-	-	-	-
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 7 - Non-Current Investment:

Particulars	Face value	Currency	As At March 31, 2019		As At March 31, 2018	
			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	120.31	950,000	125.02
Kiinteisto Oy Sallan Kylpylä	25	EUR	-	-	49	144.95
In Equity Instruments of Joint ventures						
Tropiikin Rantasauna Oy	25	EUR	50	48.83	50	48.21
				169.14		318.18
Unquoted Investments at FVTPL (fully paid)						
In Equity Instruments of other entities						
Mahindra World City Developers Ltd.	10	₹	1	-	1	-
Mahindra Hotels and Resorts Limited (cost of investment ₹ 1/-)	10	₹	20,011	-	20,011	-
Kiinteisto Oy Katinkullan Pallohalli	0.21	EUR	6,793	314.58	5,947	142.93
Kiinteistö Oy Katin Golf		EUR	151	296.42	-	-
Elisa Communications A-shares	0.5	EUR	300	2.76	300	2.87
Mitsenaiset Kauppiat Oy	204	EUR	2	0.78	2	0.81
Nreach Online Services Private Limited	10	₹	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	₹	25,000	83.23	25,000	73.18
				997.77		519.79
				1,166.91		837.97

Note:

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, 2019	As at March 31, 2018
Secured, considered good	790.35	1,016.62
Unsecured, considered good	56,301.43	46,497.76
	57,091.78	47,514.38

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 9 - Non-Current Loans (Unsecured, Considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits	4,673.09	4,289.78
	4,673.09	4,289.78

Note No. 10 - Other Non-Current Financial Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets at amortised cost		
Bank Deposit with more than 12 months maturity	26.56	-
Other deposits	-	1,509.44
	26.56	1,509.44

Note No. 11(a) - Deferred Tax Assets (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
Tax effect of items constituting deferred tax liabilities		
Property, Plant and Equipment (excluding land)	8,881.58	8,037.19
Deferred Acquisition Cost	24,698.64	-
Fair valuation of financial assets	1,098.95	393.40
Intangible Assets	(13.50)	(31.05)
Inventory	1,000.93	-
Other	(17.16)	(31.49)
Derivatives	5.75	24.18
Tax effect of items constituting deferred tax assets		
Property, Plant and Equipment	173.19	173.19
Employee Benefits	360.05	339.24
Deferred Revenue	95,292.70	-
Receivables / Revenue derecognition	1,672.18	9,220.51
MAT Credit Entitlement	2,197.00	-
Fair valuation of financial assets	22.73	26.14
Unabsorbed Depreciation	754.59	769.73
Unabsorbed Business Losses	1,616.49	856.34
Provision	58.01	-
Others	826.24	772.79
Deferred Tax Asset (net)	67,317.99	3,765.71

Note: Deferred tax asset has been recognised on the carry forward unabsorbed depreciation and unabsorbed business loss to the extent that it is probable that future taxable profits will be available.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 11(b) - Deferred Tax Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Tax effect of items constituting deferred tax liabilities		
Fair valuation of land	23,824.34	-
Deferred Tax Liabilities	23,824.34	-

Note No. 12(a) - Other Non-Current Tax Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Income tax (Net of provisions upto the reporting date)	16,902.80	11,816.70
	16,902.80	11,816.70

Note No. 12(b) - Non-Current Deferred Acquisition Cost

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Acquisition Cost (Refer Note no. 2 (a)(viii))	64,283.21	-
	64,283.21	-

Note No. 12(c) - Other Non-Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Advances	3,307.90	2,658.59
Prepayments	389.04	378.00
Duty paid under protests	615.46	527.60
	4,312.40	3,564.19

Note No. 13 - Inventories (At lower of cost and net realisable value)

Particulars	As at March 31, 2019	As at March 31, 2018
Vacation Ownership Units :		
Vacation ownership weeks (including vacation ownership villas)	42,167.63	39,078.76
Cost of associated land	4,556.01	4,964.32
Construction work in progress	2,134.81	2,136.74
Food and beverages	801.95	811.36
Operating supplies	7,291.95	5,022.36
	56,952.35	52,013.54
Cost of food and beverages recognised as an expense during the year (Refer Note no. 37(b))	10,779.58	10,164.30
Cost of vacation ownership weeks (including vacation ownership villas) recognised as an expense during the year (Refer Note no. 37(a))	30,850.19	25,025.45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 14 - Current Investments

Particulars	As At March 31, 2019		As At March 31, 2018	
	Units	Amount	Units	Amount
Unquoted Investments at FVTPL (all fully paid)				
Investments in Mutual Funds				
HDFC Banking and PSU Debt Fund Direct Growth	8,368,759	1,275.16	18,838,283	2,672.89
HDFC Banking and PSU Debt Fund Regular Growth	8,407,363	1,263.58	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	1,788.04	14,043,341	1,669.50
IDFC Corporate Bond Fund Direct Plan Growth	34,982,465	4,498.88	34,982,465	4,187.51
Birla Sun Life Floating Rate Fund-Long Term Plan Growth	966,662	2,220.75	966,662	2,056.67
Birla Sun Life Floating Rate Fund-Long Term Plan Growth Direct	948,356	2,209.94	948,356	2,042.06
HDFC Floating Rate Income Fund Short Term Plan Wholesale Growth	6,936,919	2,254.71	6,936,919	2,097.97
HDFC Floating Rate Income Fund Short Term Plan Wholesale Direct Plan Growth	6,696,488	2,189.99	6,696,488	2,034.55
ICICI Prudential Flexible Income Growth	269,270	965.95	269,270	897.03
ICICI Prudential Flexible Income Growth Direct	609,780	2,202.34	609,780	2,042.11
Mahindra Liquid Fund - Dir - Growth	146,170	1,770.73	694,854	7,812.70
Kotak Liquid Fund - Dir - Growth	108,150	4,092.77	-	-
ICICI Prudential Flexible Income Plan - Reg - Dly Dividend	-	-	1,286,302	1,360.08
Kotak Treasury Advantage Fund Regular Plan Growth	7,506,213	2,249.73	7,506,213	2,086.25
Kotak Treasury Advantage Fund Regular Direct Plan Growth	7,202,341	2,200.51	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
Aggregate book value of unquoted investments	97,192,277	31,183.08	133,967,510	44,468.76

Note No. 15 - Current Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Secured, considered good	4,434.78	5,468.05
Unsecured, considered good	106,774.73	102,046.69
Unsecured, credit impaired	919.23	3,729.18
Less: Impairment loss allowance	(919.23)	(3,729.18)
	111,209.51	107,514.74

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 16 - Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks	5,889.12	4,810.44
Cash on hand	123.61	71.17
Bank Deposit with less than 3 months original maturity	-	750.12
	6,012.73	5,631.73

Note No. 17 - Other bank balances

Particulars	As at March 31, 2019	As at March 31, 2018
Earmarked balances with banks (unpaid dividend)	9.88	6.86
Bank Deposits with maturity greater than three months and less than twelve months	1,917.67	1,563.41
	1,927.55	1,570.27

Note No. 18 - Loans (Unsecured, Considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
Loans and advances to employees	21.96	38.27
	21.96	38.27

Note No. 19 - Other Current Financial Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets at amortised cost		
Insurance claims receivable	-	3.86
Other receivables	532.00	795.28
Interest accrued but not due	933.94	13.10
Other Deposits	25,900.00	490.56
	27,365.94	1,302.80

Note No. 20 (a) - Deferred Acquisition Cost

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Acquisition Cost (Refer Note no. 2 (a)(viii))	4,559.42	-
	4,559.42	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 20 (b) - Other Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
With Government authorities (excluding income taxes)	2,996.47	2,176.04
Prepayments	2,855.67	4,802.27
Advance to suppliers:		
Considered good*	795.00	574.49
Considered doubtful*	250.00	250.00
Less: Provision for doubtful advances	(250.00)	(250.00)
	6,647.14	7,552.80

* Both include advances given to related parties - ₹ 250 lakhs

Note No. 21 - Equity Share Capital

Particulars	As at		As at	
	March 31, 2019		March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
<u>Authorised:</u>				
Equity shares of ₹ 10 each with voting rights	150,000,000	15,000.00	150,000,000	15,000.00
<u>Issued, Subscribed and Fully Paid:</u>				
Equity shares of ₹ 10 each with voting rights	133,553,784	13,355.38	133,443,784	13,344.38
Treasury Shares (par value)	(654,040)	(65.40)	(684,290)	(68.43)
	132,899,744	13,289.98	132,759,494	13,275.95

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:

- 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.
- Repayment of capital will be in proportion to the number of equity shares held.
- The dividends proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.
- With the adoption of new revenue recognition policy in accordance with Ind AS 115, the Company had to change its revenue recognition policy. Consequently, the Deferred Revenue and Deferred Costs had to be recomputed and that resulted in a Transition Difference. The Company is profitable and has healthy cash flows and has declared dividends every year since 2006. The Company is seeking a clarification from Ministry of Corporate Affairs (MCA) that this Transition Difference ought not to be considered for the purpose of calculation of dividend, under section 123(1) of the Companies Act, 2013. The declaration of dividend, if any shall be subject to clarification from MCA. (Previous year-₹ 5,337.75 lakhs at ₹ 4 per share).

21 b) Shares in the Company held by Holding Company

Name of shareholder	No. of shares	% held as at March 31, 2019	No. of shares	% held as at March 31, 2018
Mahindra & Mahindra Limited (Holding Company)	89,890,615	67.31%	89,890,615	67.36%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 21 - Equity Share Capital (Contd.)

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, 2019	No. of shares	% held as at March 31, 2018
Mahindra & Mahindra Limited	89,890,615	67.31%	89,890,615	67.36%
HDFC Trustee Company Limited	11,045,929	8.27%	7,193,250	5.39%

21 d) The reconciliation of the number of shares outstanding as at March 31, 2019 and March 31, 2018 is set out below:-

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	In ₹ Lakhs	No. of Shares	In ₹ Lakhs
Number of shares at the beginning	132,759,494	13,275.95	88,234,496	8,823.45
Add: Bonus Shares issued during the year	-	-	44,417,928	4,441.79
Add: Shares issued on exercise of employee stock options	140,250	14.03	369,771	36.98
Less: Shares issued to ESOP Trust as Bonus Shares	-	-	(262,701)	(26.27)
Number of shares at the end	132,899,744	13,289.98	132,759,494	13,275.95

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 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 21 - 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 no. (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	176.00	4	620,000			Refer Note no. (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	246.67	4	200,000			
Grant IV (ESOS 2014)	31/01/2017	406.00	270.67	270.67	4	80,000			
Grant V (ESOS 2014)	02/08/2017	410.00	N.A.	-	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 1.4.2018	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 31.03.2019	Options vested but not exercised
Grant I (ESOS 2006)	15/07/2006		Closed						
Grant II (ESOS 2006)	30/03/2007		Closed						
Grant III (ESOS 2006)	11/01/2007		Closed						
Grant V (ESOS 2006)	11/01/2008		Closed						
Grant VI (ESOS 2006)	21/02/2012		Closed						
Grant VII (ESOS 2006)	31/01/2013	75,562	-	-	-	20,250	34,688	20,624	20,624
Grant VIII (ESOS 2006)	31/01/2013	154,000	-	-	-	10,000	11,250	132,750	132,750
Grant IX (ESOS 2006)	29/01/2014		Closed						
Grant I (ESOS 2014)	22/01/2015	710,000	-	-	150,000	110,000	-	600,000	600,000
Grant II (ESOS 2014)	27/10/2015	165,000	-	-	41,250	-	-	165,000	123,750
Grant III (ESOS 2014)	18/02/2016	150,000	-	-	75,000	-	-	150,000	75,000
Grant IV (ESOS 2014)	31/01/2017	60,000	-	-	15,000	-	-	60,000	30,000
Grant V (ESOS 2014)	02/08/2017	60,000	-	-	15,000	-	-	60,000	15,000
Total		1,374,562	-	-	296,250	140,250	45,938	1,188,374	997,124

The fair value of options as certified by independent valuer as of the respective dates of grant i.e. 21st February, 2012 is ₹ 129.93 for Grant VII (ESOS 2006), 31st January, 2013 is ₹ 94.43 for Grant VIII (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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 21 - 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 ₹ 320.09 per share (March 31, 2018 ₹ 239.96 per share) and weighted average remaining contractual life for the share options outstanding as at March 31, 2019 was 2.84 years (March 31, 2018 was 3.84 years)

Note No. 22 - Other Equity

Particulars	As at March 31, 2019	As at March 31, 2018
General reserve	10,381.68	10,381.68
Securities premium	10,312.39	10,067.74
Share options outstanding account	1,265.90	1,117.47
Retained earnings	34,959.45	35,459.16
Capital reserve	44.75	44.75
Capital redemption reserve	145.80	145.80
FCMITDR	(450.97)	(1,806.58)
Reserves & Surplus	56,659.00	55,410.02
Revaluation Reserve	78,700.02	-
Foreign Currency Translation Reserve	869.19	2,543.62
Other Comprehensive Income-Actuarial Loss	(93.28)	(84.60)
Transition difference	(121,267.67)	-
	14,867.26	57,869.04

Notes :

- General reserve:** The general reserve is used from time to time to transfer net profits from retained earnings for appropriation purposes.
- Securities Premium:** Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, write-off equity related expenses like share issue expenses, etc.
- 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.
- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 22 - Other Equity (Contd.)

- e) **Capital Redemption Reserve:** The capital redemption reserve is used towards issue of fully paid bonus shares of the Company.
- f) **Foreign Currency Monetary Item Translation Difference Reserve:** It represents the net translation differences on external commercial borrowings which will be amortised over the balance period of the loan.
- g) **Reevaluation Reserve:** The revaluation reserve is credited on account of revaluation of Freehold land. It is not available for distribution as dividend.
- h) **Foreign Currency Translation Reserve:** Exchange variation on translating net assets of Holiday Club Resorts Oy, HCR Management Oy and Net Gain/(loss) on Net Investment hedge in Foreign subsidiaries is accounted under this reserve.
- i) **Transition difference:** As explained in note 3(B) i.e changes in significant accounting policies, the Company has adopted Ind AS 115 Revenue from Contracts with Customer from April 1, 2018. The Cumulative effect of applying this standard is recognised as an adjustment to other equity, by separately disclosing it in Transition difference.

Note No. 23 - Non Controlling Interest

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at beginning of year	2,735.59	2,825.46
Add: Share of profit/(loss) for the year	684.37	123.51
Less: Changes in NCI stake	(482.40)	(213.38)
Balance at end of year	2,937.56	2,735.59

Note No. 24 - Non-current borrowings (At amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured Borrowings		
Term Loans (Refer Note no. 1 below)		
From Banks	13,038.70	53,415.40
From Others	3,332.92	8,066.00
Unsecured Borrowings		
Term Loans		
From Banks (Refer Note no. 2 below)	37,625.77	7,228.01
From Others (Refer Note no. 3 below)	2,716.70	2,626.24
	56,714.09	71,335.65

Note:

Term Loans are availed by subsidiaries.

- Term loans from banks and others are secured by a charge on unsold vacation ownership inventory weeks, villas inventory weeks and mortgage/hypothecation of specific properties. These loans are repayable between FY 2019-20 to FY 2038-39 and carry an interest rate pegged to EURIBOR/MCLR/BIBOR.
- Term loans from banks are repayable between FY 19-20 to FY 2023-2024 and carry an interest rate pegged to EURIBOR.
- Includes term loan from RCI amounting to ₹ 7,762.00 lakhs (Previous year ₹ 8,066.00 lakhs) on which interest has been waived for the current year (and previous year) and is repayable on August 14, 2019 and August 14, 2020. Also Refer Note no. 30- Current maturities of long term borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 25 - Other Financial Liabilities (At amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018
Retention Money	4,637.64	4,773.30
	<u>4,637.64</u>	<u>4,773.30</u>

Note No. 26 - Non-Current Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits - Compensated absences	578.68	724.34
	<u>578.68</u>	<u>724.34</u>

Note No. 27 - Other Non-Current Liabilities - Contract Liability - Deferred Revenue

Particulars	As at March 31, 2019	As at March 31, 2018
Contract Liability -Deferred Revenue - Vacation Ownership	479,591.28	204,424.02
	<u>479,591.28</u>	<u>204,424.02</u>

Note No. 28 - Current Borrowings (Secured)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash credit from banks	1,772.41	2,494.34
	<u>1,772.41</u>	<u>2,494.34</u>

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, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises	61.18	59.69
Total outstanding dues of creditors other than micro enterprises and small enterprises	28,428.62	26,097.59
	<u>28,489.80</u>	<u>26,157.28</u>

Micro and small enterprises have been identified by the Company on the basis of the information available.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 30 - Other Financial Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long term borrowings	24,550.91	7,160.04
Creditors for capital supplies/services	696.56	1,761.80
Commission payable to non-whole time directors	105.00	184.00
Unpaid Dividend *	9.88	6.84
Employee benefits payable	10,374.38	9,690.29
Derivatives (Interest rate swaps)	266.88	379.66
Obligation to acquire non controlling interest	1,694.53	2,678.20
Other payables	4,767.55	15,416.03
	42,465.69	37,276.86

* There are no amounts due and outstanding to be transferred to Investor Education and Protection Fund as at March 31, 2019.

Note No. 31 - Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
- Gratuity (Refer Note no. 42)	97.72	82.61
- Compensated absences	451.69	255.88
- Others	15.77	13.60
	565.18	352.09

Note No. 32(a) - Contract Liability Deferred Revenue

Particulars	As at March 31, 2019	As at March 31, 2018
Contract Liability -Deferred Revenue - Vacation Ownership	31,153.49	12,187.12
Contract Liability -Deferred Revenue - Annual subscription fee	13,187.00	12,238.79
Contract Liability -Deferred Revenue - HCRO	10,425.96	-
	54,766.45	24,425.91

Note No. 32(b) - Other Current Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Taxes (excluding income taxes) and other statutory dues	3,759.72	3,789.30
	3,759.72	3,789.30

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 33 - Revenue from Operations

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<u>Revenue from contract with customers</u>		
Vacation ownership income	31,546.67	54,493.21
Vacation ownership weeks income	40,790.60	28,377.27
Vacation ownership weeks in villas income	14,405.73	27,043.06
Income from resorts :		
Room rentals	31,171.20	28,403.11
Other rentals	1,500.64	1,473.37
Club, sport & spa	13,692.09	11,928.53
Resort management	5,439.42	4,958.49
Events, conferences and other activities	3,815.71	3,513.26
Food and beverages	30,235.01	28,219.51
Wine and liquor	5,583.79	5,099.41
Others	4,956.72	5,019.22
Annual subscription fee	26,139.56	21,668.45
	209,277.14	220,196.89
<u>Other operating revenue</u>		
Interest income on instalment sales	11,441.61	8,829.94
Miscellaneous income	3,180.61	2,665.37
	14,622.22	11,495.31
	223,899.36	231,692.20

Note No. 34 - Other income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income on Financial Assets at Amortised Cost		
On deposits with bank	266.58	285.85
On other deposits	1,062.01	13.09
On others	398.06	319.85
Dividend Income		
Dividend income from current investments	31.84	177.81
Profit on sale of property, plant and equipment	275.00	613.71
Foreign exchange gain	445.97	139.84
Net gain arising on financial assets designated as at FVTPL	2,940.10	1,593.18
Net gain arising on derivative instruments	98.49	75.38
Others	148.64	146.91
	5,666.69	3,365.62

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 35 - Employee Benefits Expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages, including bonus	47,863.57	45,203.71
Contribution to Provident and other funds	5,412.78	4,829.40
Equity-settled share-based payments	148.45	272.06
Staff welfare expenses	4,005.67	4,046.25
	57,430.47	54,351.42

Note No. 36 - Finance costs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest on borrowings	2,853.93	2,198.95
Translation difference on borrowings	-	4,139.77
Changes in obligation to acquire non-controlling interest	(495.13)	33.93
	2,358.80	6,372.65

Note No. 37 (a) - Cost of vacation ownership weeks

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
<u>Vacation ownership weeks, vacation ownership weeks in villas including construction work in progress and cost of associated land:</u>				
Opening stock	46,179.82		37,539.92	
Add: Purchases	33,528.82		33,665.35	
Less: Closing stock	48,858.45		46,179.82	
		30,850.19		25,025.45
		30,850.19		25,025.45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 37 (b) - Other Expenses

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
<u>Cost of food and beverages consumed</u>				
Opening stock	811.36		677.65	
Add: Purchases	10,770.17		10,298.01	
Less: Closing stock	801.95		811.36	
		10,779.58		10,164.30
Operating supplies		4,837.43		4,654.35
Power & Fuel		8,307.17		7,770.17
Rent including lease rentals		25,403.10		22,481.23
Rates and taxes		1,681.41		1,529.65
Insurance		609.43		617.63
<u>Repairs and maintenance</u>				
Buildings and Resorts		8,937.54		7,498.25
Plant and equipment		895.14		803.25
Others		3,319.99		3,424.68
Advertisement		652.63		968.28
Sales promotion		21,576.04		24,881.28
Travelling and Conveyance		3,195.36		3,213.07
Commission and other customer offers		2,281.13		3,225.37
Provision for doubtful trade receivables/bad debts written off		438.25		555.77
Loss on foreign currency transactions		253.69		-
<u>Auditors remuneration and out-of-pocket expenses*</u>				
For Statutory Audit		256.44		223.99
For Other services		54.60		46.87
For reimbursement of expenses		3.27		1.32
Director's fees		49.22		51.23
Commission to non whole time directors		105.00		184.00
Legal and other professional costs		3,184.22		2,764.46
Communication		1,438.64		1,383.64
Software charges		521.94		610.60
Housekeeping & Laundry		4,804.80		4,774.63
Service charges		7,798.48		7,544.02
Bank charges		1,653.94		2,254.26
Corporate social responsibility expenditure (CSR) (Refer Note no. 45)		411.60		340.20
Loss on sale of property, plant and equipment		167.15		-
Miscellaneous expenses		5,378.68		5,667.11
		118,995.87		117,633.61

* Includes payments made to auditors of subsidiary companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 38 - Current Tax and Deferred Tax
(a) Income Tax recognised in profit or loss

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current Tax:		
In respect of current year	2,455.31	7,426.56
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	1,392.20	953.65
Total income tax expense	3,847.51	8,380.21

(b) Income tax recognised in other Comprehensive income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current/Deferred Tax		
Remeasurement of defined benefit obligations and freehold land revaluation	(23,883.30)	(37.87)
	(23,883.30)	(37.87)
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	23,883.30	37.87
	23,883.30	37.87

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax	9,804.70	21,657.25
Income tax expense calculated at 34.944%/34.608%	3,426.15	7,495.14
Effect of income that is exempt from taxation	(138.75)	(33.84)
Effect of expenses that is non-deductible in determining taxable profit	391.32	(26.96)
Effect of previous year losses on which DTA is recognised in current year	(108.39)	15.85
Effect of current year losses for which no DTA was recognised	116.92	(77.54)
Effect of change in tax rate	(39.77)	-
Difference in tax rate in foreign jurisdiction	200.03	1,007.55
Income tax expense recognised in statement of profit and loss	3,847.51	8,380.21

The tax rate used for the 31 March, 2019 and 31 March, 2018 reconciliations above is at the corporate tax rate of 30% plus surcharges and cess (applicable rate @ 34.944% for March 31, 2019 and 34.608% for March 31, 2018) payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs 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, 2019					
	Opening Balance	Effect of Transition to IND AS 115	Recognised in profit and Loss	Recognised in OCI	Effect of change in Foreign Currency	Closing Balance
<u>Tax effect of items constituting deferred tax liabilities</u>						
Property, Plant and Equipment	(8,037.18)	-	(752.80)	(23,878.98)	(36.95)	(32,705.91)
Deferred Cost	-	(23,141.03)	(1,557.61)	-	-	(24,698.64)
Fair valuation of financial assets	(393.40)	-	(705.55)	-	-	(1,098.95)
Intangible Assets	31.05	-	(21.01)	-	3.46	13.50
Inventory	-	(155.99)	(808.69)	-	(36.25)	(1,000.93)
Other	31.49	-	-	-	(14.33)	17.16
Derivatives	(24.18)	-	19.70	-	(1.26)	(5.75)
	(8,392.23)	(23,297.02)	(3,825.96)	(23,878.98)	(85.33)	(59,479.52)
<u>Tax effect of items constituting deferred tax assets</u>						
Property, Plant and Equipment	173.19	-	-	-	-	173.19
Employee Benefits	339.24	-	20.81	-	-	360.05
Receivables / Revenue derecognition*	9,220.51	(4,452.96)	(3,123.49)	-	28.12	1,672.18
Deferred Revenue*	-	92,832.23	2,437.27	-	23.20	95,292.70
MAT Credit Entitlement	-	-	2,197.00	-	-	2,197.00
Provisions	-	-	58.01	-	-	58.01
Fair valuation of financial assets	26.14	-	(3.41)	-	-	22.73
Unabsorbed Depreciation	769.73	-	-	-	(15.14)	754.59
Unabsorbed Business Losses	856.34	-	783.45	-	(23.30)	1,616.49
Other	772.79	-	64.12	-	(10.68)	826.22
	12,157.94	88,379.27	2,433.76	-	2.20	102,973.17
Net Tax Asset (Liabilities)	3,765.71	65,082.25	(1,392.20)	(23,878.98)	(83.13)	43,493.65

* During the current year the Group has cancelled contracts where there was uncertainty of collection from customers. Consequently the corresponding receivables and deferred revenue relating to those customers were written off. These were fully provided by the Group and pursuant to the write off the current tax expense is lower in the current year and the corresponding deferred tax asset recognised, is utilised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 38 - Current Tax and Deferred Tax (Contd.)

Particulars	For the Year ended March 31, 2018					
	Opening Balance	Effect of Transition to IND AS 115	Recognised in profit and Loss	Recognised in OCI	Effect of change in Foreign Currency	Closing Balance
<u>Tax effect of items constituting deferred tax liabilities</u>						
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)
	<u>(6,273.17)</u>	<u>-</u>	<u>(192.62)</u>	<u>-</u>	<u>(1,926.45)</u>	<u>(8,392.23)</u>
<u>Tax effect of items constituting deferred tax assets</u>						
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
Net Tax Asset (Liabilities)	<u>4,402.43</u>	<u>-</u>	<u>34.89</u>	<u>-</u>	<u>(671.61)</u>	<u>3,765.71</u>

** 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.

Note No. 39 - Earnings per Share
Basic earnings per share

	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year after tax attributable to owners of the Group	6,042.04	13,237.21
Weighted average number of equity shares (in lakhs)	1,328.71	1,325.02
Earnings per share - Basic	4.55	9.99

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 39 - Earnings per Share: (Contd.)

Diluted earnings per share

	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year after tax attributable to owners of the Group	6,042.04	13,237.21
Weighted average number of equity shares (in lakhs)	1,329.70	1,329.78
Earnings per share - Diluted	4.54	9.95

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, 2019	Year ended March 31, 2018
Weighted average number of equity shares used in the calculation of Basic EPS	1,328.71	1,325.02
Add: Effect of ESOPs	0.99	4.76
Weighted average number of equity shares used in the calculation of Diluted EPS	1,329.70	1,329.78

Note No. 40 - Leases

The Group has taken certain properties under operating leases with varying lease terms, cancellable at the option of the Group. The future minimum lease payments are given below.

	Year ended March 31, 2019	Year ended March 31, 2018
Future minimum lease commitments		
not later than one year	24,070.55	23,720.57
later than one year and not later than five years	68,919.74	68,314.03
later than five years	123,889.47	128,336.36
Expenses recognised in the Statement of Profit and Loss		
Minimum Lease Payments	25,196.76	24,304.82

Note No. 41 - Contingent liabilities and commitments

Contingent liabilities (to the extent not provided for)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Income Tax matters:		
<u>Claims against the Company not acknowledged as debt (for matters disputed by the Company)</u>		
pertaining to Revenue Recognition (timing difference *) pending before the CIT(A)/ITAT (Company appeal)	52,652.65	43,693.51
interest included in the above	13,584.11	11,206.88
pertaining to other matters (mainly timing differences *), pending before the CIT(A)/ITAT (Company appeal)	5,153.63	4,450.29
interest included in the above	1,086.96	967.04
<u>Matters decided in favour of the Company, (but under appeal by the Department)</u>		
pertaining to Revenue Recognition (timing difference *) pending before the Madras High Court (Department appeal) excluding interest	27,140.61	27,140.61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 41 - Contingent liabilities and commitments: (Contd.)

Particulars	As at March 31, 2019	As at March 31, 2018
(b) Service Tax matters: claimed on interest on installments and other items (inclusive of penalty where quantified in demand)* * For matters pertaining to timing differences, if liability were to crystallise, there would be future tax benefits, except to the extent of tax rate differences and interest, if any. Notes: 1) The above amounts are based on demands raised, which the Company is contesting with the concerned authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals. No reimbursements are expected. 2) In respect of above matters, it is not practicable for the Company to estimate the closure of these issues and the consequential timing of cash flows if any.	3,080.32	8,760.92
(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) The Company has challenged the above demands before various appellate authorities / High Court, the outcome of which is pending. For all such matters, the Company has made cumulative provisions for ₹ 675.10 lakhs (Previous year ₹ 509.10 lakhs) on a best estimate basis. The above demands include demands raised by Kerala Luxury Tax authorities in respect of which the Kerala High Court (single bench) has upheld the Constitutional validity of the levy and has allowed the department to proceed with the assessment while setting aside penalty orders. The Company has filed an writ appeal before the Divisional Bench of the Kerala High Court challenging the order of the single bench. The Company had also filed SLP with the Supreme Court wherein order has been passed permitting the tax authorities to proceed with the assessments but restricted the tax authorities for making any demand pursuant to the assessment till the disposal of the appeal before the Divisional Bench of the Kerala High Court. The provision of ₹ 675.10 lakhs (Previous Year ₹ 577.10 lakhs) referred to above includes ₹ 473 lakhs (Previous Year ₹ 438 lakhs) on the account of demand raised by Kerala Tax Authorities.	6,735.55	5,485.52

(d) Other matters under appeal (Property related)

- (i) The Government of Kerala through the Sub Collector, District of Devikulam issued an Order dated July 3, 2007 cancelling the assignment of land underlying the Munnar resort and directed repossession of land on the ground that it is agricultural land and cannot be used for commercial purposes. The 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. The matter is finally heard, order is awaited.
- (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,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 41 - Contingent liabilities and commitments: (Contd.)

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 (NA) 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.

(e) Other matters:

- (i) The Company engaged a building contractor for construction of a resort. As the construction did not proceed as per agreed timelines the Company terminated the contract. The contractor has claimed ₹ 1,256.15 lakhs as damages for termination of the Contract. The Company has made a counter claim of ₹ 2,003.56 lakhs towards liquidated damages and other losses. The matter has been heard by the Arbitrator and is reserved for Orders.
- (ii) The Regional Provident Fund Commissioner, Chennai had issued Summons initiating proceedings under Section 7A of the Employees Provident Fund Act for failing to remit contributions on allowances relating to employees for the period from March 2011 to February 2013 in respect of Indian employees and from April 2010 to February 2013 in respect of international employees. The PF Authorities have made a claim of ₹ 189.93 lakhs. The Company has filed a Writ Petition No 2408/2014 before the Madras High Court and the Court has granted an Interim stay of the above proceedings.
- (iii) The Company had acquired the entire shareholding of erstwhile Holiday on Hill Resort Private Limited (erstwhile subsidiary) in the year 2012 and subsequently it was amalgamated with the Company. In the year 2013, a Show Cause Notice was issued by the Collector, Solan to the erstwhile subsidiary under the provisions of Section 118 of HP Tenancy and Land Reforms Act, 1972 (the Act) alleging that the sale by the erstwhile subsidiary was in violation of the provisions of the Act and has required the erstwhile subsidiary to show cause why the said land should not be confiscated. The erstwhile subsidiary had responded to the said show cause notice, inter alia, submitting that it has not violated any provisions of the Act in as much as the Company has acquired only the shareholding of the erstwhile subsidiary from its shareholders and no property has been sold to the Company. The matter has been disposed off by an Order dated 12th December, 2017 passed by the Financial Controller (Appeals), HP, Shimla in Revision Application preferred by the Company. The State of Himachal Pradesh has challenged the Order dated 12th December, 2017 by filing a Writ Petition in the High Court of Himachal Pradesh at Shimla. The Company has filed its reply to the Writ Petition. The Writ Petition is pending.
- (iv) With respect to member complaints pending before various consumer fora and other matters: Estimated amount of claims ₹ 532.36 lakhs (As at March 31, 2018: ₹ 493.93 lakhs).

(f) Contingent liabilities with respect to Holiday Club Resorts Oy and its subsidiaries

- (i) Holiday Club Resorts Oy has agreed in the customer financing agreement made between Holiday Club Resorts Oy and OP Corporate Bank Oyj (OP Financing), the following:

The customer's inability to pay, or if the customer otherwise is in breach with contract, gives OP Financing the right to call in the financing or to terminate the financing contract. If OP Financing claims, Holiday Club Resorts Oy has committed to redeem the financing with the amount that corresponds 50 % of the current financing agreement balance between customer and OP Financing related to the purchase of the timeshare week. Redemption price may be at maximum 50 % of the original purchase price of the timeshare week.

The financing agreement between Holiday Club Resorts Oy and OP Corporate Bank Oyj has been amended on 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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 41 - Contingent liabilities and commitments: (Contd.)

If Sampo Financing terminates the customer's financing contract for timeshare purchase based on the terms of contract, the following risk distribution contract applies:

If Sampo Financing claims, Holiday Club Resorts Oy is committed to purchase the timeshare which has been given as a collateral for a financing agreement

The purchase price is 30 % of the timeshare's original purchase price. If the purchase price, calculated by the foregoing way, is more than the financier's financed part based on the sale agreement issue, the purchase price will be the amount of financed part of the sale agreement at issue. The above are mainly for receivables recognised prior to April 1, 2015.

- (ii) Holiday Club Resorts Oy has given completion commitments to Fennia and in relation to the land areas sold to Fennia. If the completion commitments are not met, Fennia has the right to cancel the deal. Holiday Club Resorts Oy has guaranteed the land lease payments until apartments have been built on the plots.

- (iii) Holiday Club Resorts Oy has committed to purchase back the shares of the company named Kiinteistö Oy Iso-Ylläksentie 42 from the mutual insurance company Ilmarinen no later than 31.3.2022. The buyback price on 31.3.2022 has been agreed to be Euro 4.75 million (₹ 3,686.95 lakhs) (Previous Year Euro 4.75 million - ₹ 3,831.35 lakhs)

Related to the above-mentioned agreement, Holiday Club Resorts Oy sold the business operations of Ylläs Saaga to Lapland Hotels Oy in October 2014. The lessor, mutual insurance company Ilmarinen, required that Holiday Club Resorts Oy stays in joint liability for fulfillment of the obligations of rental and buyback agreements. If the lessor makes claims towards Holiday Club Resorts Oy due to this obligation, has Holiday Club Resorts Oy a retroactive right of recourse from Lapland Hotels Oy and its parent company North European Invest Oy.

- (iv) 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, Holiday Club Resorts Oy has a retroactive right of recourse from Lapland Hotels Oy and its parent company North European Invest Oy.

- (v) 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 - ₹ 1,319.54 lakhs) (Previous Year Euro 1.7 million - ₹ 1,371.22 lakhs) 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 0.9 million euros - ₹ 7,464.81 lakhs (Previous year: 1.2 million euros ₹ 967.9 lakhs). Holiday Club Sweden AB owns 51 % of the Holiday Club Sport and Spa Hotels AB's shares.

- (vi) Holiday Club Canarias Sales and Marketing company has received claims from timeshare customers arguing that the contracts are null and void. The total amount of received claims is 5.3 million euros (₹ 4,113.86 lakhs) (Previous Year Euro 3.8 million - ₹ 3,065.1 lakhs). Claims are related to different interpretations of changing timeshare legislations in Spain. The company has received 110 claims out of which 69 rulings having a ruling of amount 1 million euros from the first instance courts. Based on these rulings the company has made an accrual that is estimated to cover possible future liabilities.

(g) Capital Commitments

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	3,943.85	475.56

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 41 - Contingent liabilities and commitments: (Contd.)

- (h) Employees' Provident Funds and Miscellaneous Provisions Act, 1952 : In February 2019, the Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligation for past periods. Accordingly, based on legal advice the Company has made a provision for provident fund contribution from the date of the Supreme Court order.
- (i) During the year Company has received a show cause notice from service tax authorities of ₹ 21,017.00 lakhs. Company has filed its detailed reply and is confident that no payment is expected to be made for this notice.

Note No. 42 - Employee benefits

(a) Defined Contribution Plan

The Group's contribution to Provident Fund and Superannuation Fund aggregating ₹ 1,107.18 lakhs (2018: ₹ 990.45 lakhs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans (Gratuity)

The Company has a funded Gratuity Scheme for its employees and gratuity liability has been provided based on the actuarial valuation done at the year end. The Gratuity scheme of the Company is funded with the Life Insurance Corporation of India.

Defined benefit plans – as per actuarial valuation on March 31, 2019 and March 31, 2018:

		Funded Plan	
		Gratuity	
		2019	2018
Ia.	<u>Expense recognised in the Statement of Profit and Loss for the year ended March 31:</u>		
	Current service cost	149.06	129.78
	Net Interest cost	6.19	1.19
	Components of defined benefit costs recognised in profit & loss	155.25	130.97
Ib.	<u>Included in other Comprehensive Income:</u>		
	Difference between actual and expected return on plan assets	4.83	31.66
	Actuarial (Gain)/Loss on account of :		
	Demographic Assumptions	(32.08)	66.53
	Financial Assumptions	37.41	-
	Experience Adjustments	3.17	11.25
	Components of defined benefit costs recognised in other comprehensive income	13.33	109.44

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 42 - Employee benefits (Contd.)

		Funded Plan	
		Gratuity	
		2019	2018
I.	<u>Net Liability recognised in the Balance Sheet as at March 31:</u>		
	1. Present value of defined benefit obligation as at 31st March	723.74	626.49
	2. Fair value of plan assets as at 31st March	626.02	543.88
	3. Deficit	(97.72)	(82.61)
II.	<u>Change in the obligation during the year ended March 31:</u>		
	Present value of defined benefit obligation at the beginning of the year	626.49	464.85
	Expenses Recognised in the Statement of Profit and Loss		
	- Current Service Cost	149.06	129.78
	- Interest Expense	46.95	34.84
	Recognised in Other Comprehensive Income		
	Actuarial Gain / (Loss) arising from:		
	Change in Demographic Assumptions	(32.08)	66.53
	Financial Assumptions	37.41	-
	Experience Adjustments	3.17	11.25
	Benefit payments	(107.26)	(80.76)
	Present value of defined benefit obligation at the end of the year	723.74	626.49
III.	<u>Change in fair value of assets during the year ended March 31:</u>		
	Fair value of plan assets at the beginning of the year	543.88	448.91
	Expenses Recognised in Profit and Loss Account		
	Expected return on plan assets	40.76	33.65
	Recognised in Other Comprehensive Income		
	Remeasurement gains / (losses)		
	Difference between actual and expected return on plan assets	(4.83)	(31.66)
	Contributions by employer (including benefit payments recoverable)	153.47	173.74
	Benefit payments	(107.26)	(80.76)
	Fair value of plan assets at the end of the year	626.02	543.88
IV.	<u>Major categories of plan assets :</u>		
	Deposits with Insurance companies	626.02	543.88

The significant actuarial assumptions (estimated for adequate coverage of the obligation on a prudent basis), are as under:

	Valuation as at	
	March 31, 2019	March 31, 2018
Discount rate(s)	6.60%	7.50%
Expected rate(s) of salary increase	5.00%	5.00%
Expected rate of return on plan assets	6.60%	7.55%
Attrition	25%-45%	10%-20%
Mortality table	IALM (2006-2008) ULT	IALM (2006-2008) ULT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 42 - Employee benefits (Contd.)

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	2018-2019	0.50%	10.67	(10.98)
	2017-2018	0.50%	(17.14)	18.04
Salary growth rate	2018-2019	0.50%	(11.10)	10.88
	2017-2018	0.50%	18.39	(17.62)
Attrition rate	2018-2019	0.50%	31.04	(31.21)
	2017-2018	0.50%	1.83	(20.27)
Mortality rate	2018-2019	0.50%	(0.06)	0.06
	2017-2018	0.50%	0.17	(0.16)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Group expects to contribute ₹ 210.11 lakhs (Previous Year 234.82 lakhs) to the gratuity trust during the next financial year of 2019-20.

V Maturity profile of defined benefit obligation:

	2019	2018
Within 1 year	239.52	97.68
1 - 2 year	160.49	93.03
2 - 3 year	131.86	79.56
3 - 4 year	106.28	80.83
4 - 5 year	77.48	79.24
> 5 years	151.19	313.61

Plan Assets.

The fair value of Group's pension plan asset as of March 31, 2019 and March 31, 2018 by category are as follows:

	2019	2018
<u>Asset category:</u>		
Contributions placed with Insurance companies	626.02	543.88
	100%	100%

The weighted average duration of the defined benefit obligation as at March 31, 2019 is 3 years (2018: 6 years)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 42 - Employee benefits (Contd.)
VI Experience Adjustments:

	Period Ended				
	2019	2018	2017	2016	2015
	Gratuity				
Defined Benefit Obligation	723.74	626.49	464.85	402.09	317.72
Fair value of plan assets	626.02	543.88	448.91	397.79	235.68
Surplus/(Deficit)	(97.72)	(82.61)	(15.94)	(4.30)	(82.04)
Experience adjustment on plan liabilities [(Gain)/Loss]	(8.50)	(77.78)	(27.54)	8.41	(54.66)
Experience adjustment on plan assets [Gain/(Loss)]	(4.83)	(31.66)	23.05	(23.86)	(0.33)

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 ₹ 244.71 lakhs (Previous Year: ₹ 100.58 lakhs).

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, 2019	March 31, 2018
Debt	83,037.41	80,990.03
Less: Cash and cash equivalents	6,012.73	5,631.73
Less: Current Investments and Other deposits	59,944.57	46,542.69
Net Debt	17,080.11	28,815.61

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. From Current year, Current Investments and Other deposits also have been reduced from Debt for management monitoring purposes.

The Group is not subject to externally enforced capital regulation.

Debt-to-equity ratio is as follows:

Particulars	March 31, 2019	March 31, 2018
Debt (A)	17,080.11	28,815.61
Equity (B)	28,157.24	71,144.99
Debt Ratio (A / B)	0.61	0.41

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 43 - Financial Instruments: (Contd.)

Categories of financial assets and financial liabilities

As at March 31, 2019

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	-	997.77	-	997.77
Trade Receivables	57,091.78	-	-	57,091.78
Loans	4,673.09	-	-	4,673.09
Other Financial Assets				
- Non Derivative Financial Assets	26.56	-	-	26.56
Current Assets				
Investments	-	31,183.08	-	31,183.08
Trade Receivables	111,209.51	-	-	111,209.51
Cash & cash equivalents	6,012.73	-	-	6,012.73
Other Bank Balances	1,927.55	-	-	1,927.55
Loans	21.96	-	-	21.96
Other Financial Assets				
- Non Derivative Financial Assets	27,365.94	-	-	27,365.94
Non-current Liabilities				
Borrowings	56,714.09	-	-	56,714.09
Other Financial Liabilities				
- Non Derivative Financial Liabilities	4,637.64	-	-	4,637.64
Current Liabilities				
Borrowings	1,772.41	-	-	1,772.41
Trade Payables	28,489.80	-	-	28,489.80
Other Financial Liabilities				
- Non Derivative Financial Liabilities	40,504.28	-	-	40,504.28
- Derivatives (Interest rate swaps)	-	266.88	-	266.88
- Obligation to acquire non controlling interest	-	1,694.53	-	1,694.53

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 43 - Financial Instruments: (Contd.)
Financial Risk Management Framework

The Group has a robust business risk management process to identify, evaluate and mitigate risks impacting business including those which may threaten the existence of the Group. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Group's competitive advantage. This also defines the risk management approach across the enterprise at various levels including documentation and reporting. Risk management forms an integral part of the Group's Business Plan. The Group has adequate internal processes to assess, monitor and manage financial risks. These risks include credit risk, liquidity risk and market risk.

Risk	Exposure primarily from	Measurement	Management
Credit risk	Trade receivables	Ageing analysis, Credit assessment	Assessment of customer credit worthiness at inception and through the credit period
Liquidity risk	Capital commitments	Cash flow forecast	Availability of committed credit lines and borrowing facilities
Market risk - Interest rate risk	Borrowings with variable interest rates	Sensitivity analysis	Interest rate swaps

(i) Credit risk management

A significant portion of the Group's sales of Vacation Ownerships are by way of deferred payment schemes where the customer is obligated to pay the membership fee in Equated Monthly Instalments (EMIs) and the ensuing credit risk is managed by the Group in the following manner:

- preliminary assessment of customer credit worthiness, ensuring realisation of minimum down payment and adherence to internal KYC norms.
- collecting post dated instruments such as cheques, Automated Clearing House (ACH) mandates, standing credit card instructions from the customers at inception to ensure security cover;

From an accounting perspective, revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the Group. The Group also assesses lifetime expected credit loss by using appropriate models, as prescribed by Ind AS 109, using past trends of collections and historical credit loss experience. The categorisation of the receivables into its ageing buckets for the purposes of estimating the expected loss allowance has been profiled based on the longest overdue of that member, for example, if a member has one instalment overdue for say 12 months, the entire receivable of the member is aggregated into that ageing bucket and the credit loss allowance is determined after taking into account the credits against the member under "Contract liability- Deferred Revenue - Vacation ownership fee" (Refer Note no. 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, 2019	March 31, 2018
Carrying value of receivables (Refer Note no. 8 and 15)*	168,301.29	155,029.12
Credit loss allowance	919.23	4,476.09
Loss allowance (%)	0.55%	2.89%

*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 no. 8 and 15) in the same proportion, except in cases where the allowance is directly attributable to a particular contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 43 - Financial Instruments: (Contd.)

Reconciliation of credit loss allowance adjusted from Trade Receivables

	Amount
Balance as at March 31, 2018	3,729.01
Allowance for credit loss recognised during the year	290.88
Amounts written off during the year	(3,100.66)
Balance as at March 31, 2019	919.23
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

(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.

	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
<u>Non-derivative financial liabilities as at March 31, 2019</u>				
Borrowings	1,772.41	52,270.89	2,973.16	1,470.04
Trade Payables	28,489.80	-	-	-
Other Financial Liabilities	42,465.69	4,637.64	-	-
Total	72,727.90	56,908.53	2,973.16	1,470.04
<u>Non-derivative financial liabilities as at March 31, 2018</u>				
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	-

Financing arrangements

The Group had access to following undrawn borrowing facilities at the end of the reporting period:

	March 31, 2019	March 31, 2018
Cash credit		
- Expiring within one year	6,000	6,000
Secured Bank Overdraft facility		
- Expiring beyond one year	3,258	2,222
	9,258	8,222

(ii) Market risk management

The Group's market risk comprises of its foreign currency exposure and interest rate fluctuations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 43 - Financial Instruments: (Contd.)
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, 2019	March 31, 2018
Receivables	MYR	739.57	-
	EUR	31,597.53	15,631.50
	AED	1,282.08	335.79
	THB	1,313.16	19.60
	SEK	9,097.15	936.00
Loans payable (including interest)	THB	3,247.34	3,229.71
	EUR**	54,734.23	64,062.96
	SEK	4,828.04	-
Payables	MYR	731.95	22.46
	EUR	29,091.57	42,873.46
	AED	1,299.09	160.00
	THB	985.42	84.58
	SEK	-	503.44
	USD	5.38	12.98

Of the above foreign currency exposures, none of the exposures are hedged by a derivative. These foreign currency exposures are denominated in currencies that are not very volatile. Hence, the Group is not exposed to major currency risks.

Foreign Currency Sensitivity

The Group is exposed to the following currency risks - AED, THB, MYR, USD, SEK and EUR - and the following table demonstrates the sensitivity.

	Currency	Increase / decrease in basis points	Effect on profit before tax
March 31, 2019	MYR	+10%	0.76
	MYR	-10%	(0.76)
	EUR	+10%	(5,222.83)
	EUR	-10%	5,222.83
	AED	+10%	(1.70)
	AED	-10%	1.70
	THB	+10%	(291.96)
	THB	-10%	291.96
	SEK	+10%	426.91
	SEK	-10%	(426.91)
	USD	+10%	0.54
	USD	-10%	(0.54)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 43 - Financial Instruments: (Contd.)

	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)
	USD	+10%	1.30
	USD	-10%	(1.30)

** Euro denominated borrowings of ₹ 12,772.23 lakhs are considered as hedging instrument for Net investment in foreign operation. Gain/loss on net borrowing (to the extent of effective portion of hedge) is recognised in Other comprehensive income. Refer Note no. 54.

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:

	Currency	Increase / decrease in basis points	Effect on profit before tax
March 31, 2019	EUR	+100	(720.08)
	₹	+100	(55.67)
	THB	+100	(32.41)
	EUR	-100	720.08
	₹	-100	55.67
	THB	-100	32.41
March 31, 2018	EUR	+100	(436.88)
	₹	+100	(65.00)
	THB	+100	(32.26)
	EUR	-100	436.88
	₹	-100	65.00
	THB	-100	32.26

For a few borrowings, the Group has entered into interest rate swap agreements to swap its floating interest rates to fixed interest rates. The said derivatives are marked to market at the end of each reporting period and the resultant gain/loss recognized in the statement of profit and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 44 - Fair Value Measurement

Fair Valuation Techniques and Inputs used - recurring Items

Financial assets/ financial liabilities measured at Fair value*	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2019	March 31, 2018		
<u>Financial assets</u>				
Investments				
Mutual fund investments	31,183.08	44,468.76	Level 1	Refer Note no. 1
Equity and preference	997.77	519.79	Level 3	Refer Note no. 2
Total financial assets	32,180.85	44,988.55		
<u>Financial liabilities</u>				
Derivative instruments- Interest rate swaps	266.88	379.66	Level 2	Refer Note no. 4
Obligation to acquire non controlling interest	1,694.53	2,678.20	Level 3	Refer Note no. 3
Total financial liabilities	1,961.41	3,057.86		

Note 1: Fair value determined using NAV

Note 2: Fair value determined using discounted cash flow method

Note 3: Fair value is determined using the present value of future expected payments and Option pricing model ie., "Monte Carlo Simulation" as applicable.

Note 4: Fair value is determined using the present value of the estimated future cash flows based on observable yield curves.

Reconciliation of Level 3 fair values

Particulars	Equity & Preference	Obligation to acquire non controlling interest
Balance as at April 1, 2018	519.79	2,678.20
Additions	467.94	-
Deletions	-	-
Changes during the year	10.04	(983.67)
Balance as at March 31, 2019	997.77	1,694.53

* Fair value of financial assets and financial liabilities (that are measured at amortised cost) closely approximate their carrying value.

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 ₹ 410 lakhs (Previous Year : ₹ 340 lakhs)

	Paid	Yet to be paid	Total
(i) Construction/Acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	411.60	-	411.60

Note No. 46 - Capital work-in-progress (CWIP) and expenditure during construction pending allocation included therein

	As at March 31, 2019	As at March 31, 2018
Capital Work-in-progress	22,324.55	11,074.59

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 46 - Capital work-in-progress (CWIP) and expenditure during construction pending allocation included therein: (Contd.)

Expenditure during construction pending allocation included in (CWIP) above:

	As at March 31, 2019	As at March 31, 2018
Salaries, Wages & Bonus	2,040.65	1,494.86
Staff welfare Expenses	38.08	22.82
Power & Fuel	42.48	22.82
Rent	24.32	14.90
Rates & Taxes	11.35	11.35
Repairs-Others	19.59	19.46
Travelling	132.59	105.27
Consultancy Charges	184.49	184.49
Freight	10.27	10.27
Miscellaneous	154.10	71.61
	2,657.92	1,957.85

Note No. 47 - Specified Bank Notes (SBN)

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended march 31, 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs 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-19	Year ended 31-Mar-18
Segment Revenue:		
- MHRIL	97,635.30	109,956.88
- HCRO	131,268.31	124,968.96
Total Segment Revenue	228,903.61	234,925.84
- Other unallocable revenue	662.44	131.98
Revenue from Operations	229,566.05	235,057.82
Segment Results:		
- MHRIL profit before tax	9,697.55	20,489.24
- HCRO profit before tax	935.97	6,709.19
Total Segment results	10,633.52	27,198.43
- Other unallocable expenditure net of unallocable income (includes translation difference on foreign currency borrowings CY -gain of ₹ 255.53 lakhs), PY - Loss of ₹ 4,139.77 lakhs)	(828.82)	(5,541.18)
Total Segment results	9,804.70	21,657.25
Segment Assets		
- MHRIL	622,537.16	341,843.49
- HCRO	105,599.08	108,532.43
Total Segment Assets	728,136.24	450,375.92
- Unallocated corporate assets	123.84	118.85
Total Assets	728,260.08	450,494.77
Segment Liabilities		
- MHRIL	584,738.64	262,760.32
- HCRO	57,428.82	61,569.34
Total Segment liabilities	642,167.46	324,329.66
- Unallocated corporate liabilities	54,997.82	52,284.53
Total liabilities	697,165.28	376,614.19

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 49 - Related party transactions

Particulars		March 31, 2019	March 31, 2018
Transactions during the year:			
Holding company			
Sale of services	Mahindra & Mahindra Limited	257.22	38.87
Purchases of PPE	Mahindra & Mahindra Limited	111.07	-
Purchase of services	Mahindra & Mahindra Limited	616.20	974.78
Dividend paid (Including Dividend Distribution Tax)	Mahindra & Mahindra Limited	4,334.70	3,606.34
Fellow Subsidiaries / Associates			
Sale of services	Mahindra Intertrade Ltd	1.23	0.99
	Mahindra Lifespace Developers Ltd	13.48	-
	Mahindra Two Wheelers Limited	0.33	-
	Bristlecone India Limited	0.20	1.71
	Tech Mahindra Limited	2.65	2.93
	Mahindra Asset Management Company Ltd	-	5.58
Purchase of PPE	Mahindra Retail Private Limited	547.93	19.96
Purchase of services	Mahindra Integrated Business Solutions Pvt Ltd	277.39	184.22
	Mahindra Defence Systems	20.82	-
	Trringo.com Limited	1.13	-
	Mahindra Retail Private Limited	104.97	-
	Bristlecone India Limited.	168.05	316.72
	Tech Mahindra Ltd	426.28	582.89
Other Entities (Director's Interest)			
Purchase of services	Grassroutes Journeys Private Limited	-	1.03
Key Management Personnel			
Managerial remuneration:	Mr. Kavinder Singh	416.28	370.85
	Mr. S Krishnan (Upto January 21, 2018)	38.18	309.35
	Mrs. Akhila Balachandar (wef May 20, 2017)	120.20	93.25
	Mr. Dinesh Shetty (Upto March 31, 2018)	25.70	87.10
	Mr. Nirav Momaya (wef September 28, 2018 upto October 29, 2018)	1.52	-
	Mr. Dhanraj Mulki (wef October 29, 2018)	25.09	-
	Director's Sitting Fees	43.50	48.05
	Commission to non whole time directors	105.00	184.00
Balances as at:			
Holding company			
Outstanding: Payable	Mahindra & Mahindra Limited	436.97	291.77
Outstanding: Receivable	Mahindra & Mahindra Limited	13.30	26.42
Fellow Subsidiaries / Associates			
Outstanding: Payable	Mahindra Retail Pvt Ltd	3.88	19.84
	Tech Mahindra Ltd	196.74	129.99
	Bristlecone India Limited	27.49	18.28
	Mahindra Intergrated Business Solutions Private Limited	33.16	58.05
Outstanding: Receivable	Mahindra Lifespace Developers Ltd	5.65	3.80

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs 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
Koy Seniori Saimaa	950,000	29.91%	712.22	-	120.31

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
Koy Seniori Saimaa	950,000	29.50%	712.22	-	125.02
Koy Sallan Kylpyla	49	46.63%	323.27	-	144.95

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 - Koy Seniori Saimaa	March 31, 2019	March 31, 2018
Current assets	24.36	55.45
Non-current assets	1,184.50	992.84
Current liabilities	91.79	77.75
Revenue	-	-
Profit or loss from continuing operations	(63.80)	(65.64)
Profit (loss) for the year	(63.80)	(65.64)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(63.80)	(65.64)

Particulars - Koy Sallan Kylpyla	March 31, 2019	March 31, 2018
Current assets	-	24.20
Non-current assets	-	1,236.01
Current liabilities	-	59.18
Non-current liabilities	-	700.60
Revenue	-	41.56
Profit or loss from continuing operations	-	(29.54)
Profit (loss) for the year	-	(29.54)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	-	(29.54)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs 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	48.23%	43.28	48.83

Investment in joint venture in previous year

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

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, 2019	March 31, 2018
Current assets	10.55	33.26
Non-current assets	146.91	132.51
Current liabilities	17.12	13.18
Non-current liabilities	42.69	74.82
Revenue	26.94	15.03
Profit (loss) for the period	6.35	(1.79)
Other comprehensive income for the period	-	-
Total comprehensive income for the period	6.35	(1.79)

Note No. 51 - Changes in liabilities arising from financing activities

Particulars	As at March 31, 2018	Cash Flow from financing activities		Forex Movement	As at March 31, 2019
		Additions	Repayment		
Non current borrowings (including current maturities of non current debt)	78,495.69	13,465.77	(7,889.32)	(2,807.14)	81,265.00
Current borrowings	2,494.34	3,813.94	(4,519.18)	(16.69)	1,772.41
Total	80,990.03	17,279.71	(12,408.50)	(2,823.83)	83,037.41

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	(20,482.34)	10,963.05	80,990.03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No.52 - Revenue from Contracts with customers

a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the sale of vacation ownership and provide holiday facilities to members over time and at a point in time as under :

	Year ended March 31, 2019
Revenue from contracts with customers	
Over time (A)	
Revenue from sale of Vacation ownership	31,546.67
Annual subscription fee	26,139.56
Total A	57,686.23
At a point in time (B)	
Revenue from sale of vacation ownership weeks	40,790.60
Revenue from sale of vacation ownership weeks in villas	14,405.73
Income From resorts:	
Room rentals	31,171.20
Other rentals	1,500.64
Club, sport and spa	13,692.09
Resort Management	5,439.42
Events, conferences and other activities	3,815.71
Food and beverages	30,235.01
Wine and liquor	5,583.79
Others	4,956.72
Total B	151,590.91
Total Revenue from contracts with customers (A + B)	209,277.14

b) Movement of Deferred Acquisition Cost and Deferred Contract Liability

1 Movement of Deferred Acquisition Cost

	Year ended March 31, 2019
Opening Balance	64,432.68
i) Additions during the year	8,787.26
ii) Amortised during the year	(4,377.31)
Closing Balance	68,842.63

The deferred acquisition cost relates to incremental costs of acquisition of the member that are deferred over the period of effective membership. Incremental costs are those that would not have been incurred if the contract was not obtained.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No.52 - Revenue from Contracts with customers (Contd.)

2 Movement of Deferred Contract Liability

	March 31, 2019			
	Vacation Ownership (MHRIL)	Annual Subscription Fee (MHRIL)	Deferred Contract liability- HCRO	Total
Opening Balance	493,103.38	12,238.79	13,282.48	518,624.65
i) Addition during the year (net)	49,188.06	27,087.77	7,381.20	83,657.03
ii) Income recognised during the year	(31,546.67)	(26,139.56)	(10,237.72)	(67,923.95)
Closing Balance	510,744.77	13,187.00	10,425.96	534,357.73

The deferred contract liability relates to the consideration received/receivable from customers, for which services will be provided over the effective membership period and revenue is recognised over that period.

c) Obligations for returns, refunds and other similar obligations

Particulars	As at March 31, 2019
Return, refunds and other similar obligations	1,745.39
Total	1,745.39

The above obligation is only to the extent of revenue recognised, this does not include the obligation on refundable entitlement fees.

d) Revenue expected to be recognised in the future from Deferred Contract Liability

	March 31, 2019			
Time Band	Vacation Ownership (MHRIL)	Annual Subscription Fee (MHRIL)	Deferred Contract liability (HCRO)	Total
< 1 Year	34,111.51	13,187.00	7,467.94	54,766.45
1 - 2 Year	33,812.31	-	402.77	34,215.08
2 - 3 Year	33,329.39	-	434.08	33,763.47
3 - 4 Year	33,019.38	-	465.40	33,484.78
4 - 5 Year	32,877.56	-	496.72	33,374.28
5-10 Year	156,239.45	-	1,159.05	157,398.50
> 10 year	187,355.17	-	-	187,355.17
Total	510,744.77	13,187.00	10,425.96	534,357.73

The deferred contract liability broken year wise shows summary of Vacation Ownership, Annual subscription fee , Villas and other deferred contract liability recognisable over the time. Annual subscription fee being the annual fees chargeable to the member every year over the life of contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No.52 - Revenue from Contracts with customers (Contd.)
e) Reconciliation of revenue from contract with customer

	Year ended March 31, 2019
Revenue from contract with customer as per the contract price	228,891.45
Adjustments made to contract price on account of :-	
Discounts / Rebates / Incentives	(19,614.31)
Revenue from contract with customer as per the statement of Profit and Loss	209,277.14

Note No. 53 - Recent accounting pronouncements

Ind AS 116 - Leases: Ind AS 116 is applicable for financial reporting periods beginning on or after April 1, 2019 and replaces existing lease accounting guidance, namely Ind AS 17. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. The Group is in the process of analysing the impact of new lease standard on its financial statements.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments): The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

Note No. 54 - Net investment hedge

From April 1, 2018, the Group has considered certain borrowing instrument as a hedging instrument for its investment in foreign subsidiaries. Accordingly, any foreign exchange differences on the hedging instrument (viz. borrowings) relating to the effective portion of the hedge is recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR') - a component of equity, so as to offset the change in the value of the net investment being hedged. The ineffective portion of the gain or loss on these hedges is immediately recognised in the statement of profit and loss. The amounts accumulated in equity are included in the statement of profit and loss when the foreign operation is disposed or partially disposed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 54 - Net investment hedge (Contd.)

	March 31, 2019	
Currency exchange risk hedged	Euro to ₹	
	Euro	₹
Carrying value of hedging instruments (borrowings)	164.55	12,772.23
Maturity date	July 2019 to August 2020	
Change in fair value during the year:		
Hedged item	664.61	51,587.15
Hedging instrument	164.55	12,772.23
Hedging (gain)/loss recognised during the year in Other comprehensive Income		(500.23)
Gain/Loss reclassification during the year to P&L		Nil

Note No. 55

The figures for the previous year have been regrouped / reclassified to correspond with current year's classification / disclosure.

The Consolidated financial statements of Mahindra Holidays and Resorts India Limited were approved by the Board of Directors and authorised for issue on May 15, 2019.

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 Leherly
Partner
Membership Number: 112399
Place: Mumbai
Date : May 15, 2019

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Akhila Balachandar
Chief Financial Officer

Place: Mumbai
Date : May 15, 2019

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Dhanraj Mulki
Company Secretary

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

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	Cables Promoters Private Limited	24-Aug-12		₹	6500.00	1861.89	16,644.16	8,282.27	-	1,780.79	(174.96)	-	(174.96)	-	100.00%
2	Mahindra Hotels & Residence India Limited	26-Apr-07		₹	5.00	(17.78)	1.55	14.33	-	-	(1.76)	-	(1.76)	-	100.00%
3	Arabian Dreams Hotel Apartment L.L.C.	26-Mar-13		AED	56.46	(111.87)	607.03	662.43	-	1,969.11	393.41	-	393.41	-	49.00%
4	Heritage Bird (M) SDN. BHD.	3-Mar-08		MYR	50.98	(103.15)	684.79	736.96	-	122.35	46.24	(11.76)	34.47	-	100.00%
5	MH Boutique Hospitality Limited	2-Nov-12		THB	218.61	(339.97)	832.10	953.46	830.72	0.01	(22.09)	-	(22.09)	-	49.00%
6	Infinity Hospitality Group Company Limited	5-Nov-12		THB	3,275.15	(2,324.34)	4,246.88	3,292.07	-	765.21	(25.85)	-	(25.85)	-	73.99%
7	MHR Holdings (Mauritius) Ltd	11-Jul-14		Euro	112.55	(2,647.40)	45,754.29	48,289.14	17,993.91	-	(439.16)	-	(439.16)	-	100.00%
8	Covington S.a.r.l	17-Jul-14		Euro	9.70	18,150.04	53,698.53	35,538.78	51,134.40	1,592.56	641.21	(5.37)	635.84	-	100.00%
9	HCR Management Oy	2-Sep-15		Euro	1.94	1,721.41	1,723.35	-	1,625.86	64.93	63.70	-	63.70	-	100.00%
10	Holiday Club Resorts Oy	2-Sep-15		Euro	9,282.51	36,932.75	95,093.85	48,878.59	9,873.63	1,01,337.91	1,773.71	(207.63)	1,566.08	965.09	96.47%
11	Kiinteistö Oy Himos Gardens	2-Sep-15		Euro	1.94	837.80	840.01	0.27	-	8.22	6.25	(1.25)	5.00	-	96.47%
12	Suomen Vapaa-alkiinteistöt Oy LKV	2-Sep-15		Euro	1.94	11.55	14.03	0.54	-	0.14	(0.90)	-	(0.90)	-	96.47%
13	Kiinteistö Oy Vanha Ykköstii	2-Sep-15		Euro	1.94	43.19	45.25	0.12	-	-	3.19	-	3.19	-	96.47%
14	Kiinteistö Oy Katimurikka	2-Sep-15		Euro	1.94	241.25	243.21	0.02	-	-	3.64	-	3.64	-	96.47%
15	Kiinteistö Oy Tenetmähti	2-Sep-15		Euro	1.94	87.17	89.13	0.02	-	-	3.59	-	3.59	-	96.47%
16	Kiinteistö Oy Mälösniemi	2-Sep-15		Euro	6.99	227.54	235.82	1.30	-	16.05	1.68	-	1.68	-	96.47%
17	Kiinteistö Oy Rauhan Ranta 1	2-Sep-15		Euro	1.94	99.01	101.68	0.73	-	-	2.41	-	2.41	-	96.47%
18	Kiinteistö Oy Rauhan Ranta 2	2-Sep-15		Euro	1.94	160.07	162.08	0.07	-	-	1.74	-	1.74	-	96.47%
19	Kiinteistö Oy Turunmiemi	2-Sep-15		Euro	1.94	281.43	284.69	1.33	-	-	2.00	-	2.00	-	96.47%
20	Kiinteistö Oy Rauhan Lilkekiinteistö 1	2-Sep-15		Euro	1.94	1,380.88	7,180.53	5,797.71	-	693.36	40.69	-	40.69	-	96.47%
21	Supermarket Capri Oy	2-Sep-15		Euro	77.62	54.38	172.56	40.55	0.78	379.17	22.19	-	22.19	-	96.47%
22	Kiinteistö Oy Kivipyläntorni 1	2-Sep-15		Euro	1.94	193.90	195.88	0.03	-	-	(1.12)	-	(1.12)	-	96.47%
23	Kiinteistö Oy Spa Lofts 2	2-Sep-15		Euro	1.94	112.43	115.24	0.87	-	-	2.66	-	2.66	-	96.47%
24	Kiinteistö Oy Spa Lofts 3	2-Sep-15		Euro	1.94	110.60	113.40	0.86	-	-	2.52	-	2.52	-	96.47%
25	Kiinteistö Oy Kussamon Pulkajärvi 1	2-Sep-15		Euro	1.96	215.13	269.85	52.76	-	9.03	2.26	(0.45)	1.81	-	96.47%
26	Ownership Service Sweden Ab	2-Sep-15		Swedish Krona	7.44	140.06	944.33	796.83	-	-	(2.43)	-	(2.43)	-	96.47%
27	Are Villas 1 Ab	2-Sep-15		Swedish Krona	3.72	-	16.42	12.70	-	-	-	-	-	-	96.47%
28	Are Villas 2 Ab	2-Sep-15		Swedish Krona	3.72	-	4.84	1.12	-	-	-	-	-	-	96.47%
29	Are Villa 3 AB	26-Jan-18		Swedish Krona	3.72	339.36	346.81	3.72	-	-	(359.15)	-	(359.15)	-	96.47%

(₹ in lakhs)

(₹ in lakhs)

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
30	Holiday Club Sweden Ab Åre	2-Sep-15		Swedish Krona	0.01	9.75	15.68	5.93	0.70	5.12	(0.76)	-	(0.76)	-	96.47%
31	Holiday Club Sport and Spa hotels AB	1-Dec-15		Swedish Krona	74.42	266.77	4,866.51	4,525.32	-	10,847.10	64.02	-	64.02	-	49.20%
32	Holiday Club Resorts Rus LLC	2-Sep-15	31-Dec-18	Russian Ruble	0.00	0.03	0.33	0.29	-	0.24	0.10	(0.02)	0.08	-	96.47%
33	Holiday Club Canarias Investments S.L.	2-Sep-15		Euro	2.41	(1.85)	745.67	745.11	744.41	-	(2.23)	0.56	(1.67)	-	96.47%
34	Holiday Club Canarias Sales & Marketing S.L.	2-Sep-15		Euro	2.41	368.04	12,231.03	11,860.59	-	5,456.71	(200.16)	46.53	(153.63)	-	96.47%
35	Holiday Club Canarias Resort Management S.L.	2-Sep-15		Euro	2.41	2,771.14	7,578.47	4,804.92	-	4,261.26	267.07	(59.96)	207.10	-	96.47%
36	Holiday Club Canarias Vacation Club SLU (formerly Passeport Sante SL)	18-Dec-18		Euro	0.84	-	634.57	633.72	146.73	812.26	1.13	(0.28)	0.84	-	96.47%

Note:

Translated at exchange rate prevailing as on 31st March 2019 MYR 1 = ₹ 16.8877, THB 1 = ₹ 2.1861, EUR 1 = ₹ 77.6185, AED 1 = ₹ 18.8210, RUB 1 = ₹ 1.0552, and SEK 1 = ₹ 7.4419

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Part "B" Associate & Joint Venture

(₹ in lakhs)

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-19	9,50,000	120.31	29.91%	Voting rights	NA	334.12	(19.08)	(44.72)
Joint Venture :											
1	Tropiikin Rantasaura Oy	31-Aug-16	31-Mar-19	50	48.83	48.23%	Joint Control	NA	47.10	3.06	3.29

For and on behalf of the Board of Directors

Arun Nanda

Chairman

DIN: 00010029

Kavinder Singh

Managing Director & CEO

DIN: 06994031

Akhila Balachandrar

Chief Financial Officer

Place: Mumbai

Date : May 15, 2019

Notes

This image shows a full page of blank, lined paper. It features approximately 20 horizontal blue lines spaced evenly across the page, typical of notebook or primary writing paper. The lines are thin and light blue, set against a plain white background. There are no margins, text, or other markings on the page.

