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MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED

Registered Office: Mahindra Towers, 2nd Floor, No: 17/18, Patullos Road, Chennai – 600 002.
Website: www.clubmahindra.com • **email:** investors@mahindraholidays.com

25th April, 2011

To,
The Members of
MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED

The Board of Directors of the Company at its Meeting held on 25th April, 2011 has, pursuant to the approval of the Remuneration/ Compensation Committee of the Board and subject to the approval of the Members, approved the appointment of and the remuneration payable to Mr. Rajiv Sawhney, Managing Director & CEO of the Company, for a period of 5 years with effect from 1st May, 2011.

In compliance with the requirements of section 302 of the Companies Act, 1956, an Abstract of the terms of his appointment and the remuneration payable together with the Memorandum of Concern or Interest is set out herein below:

Basic Salary : Rs. 4,60,000 per month in the scale of Rs.4,60,000 to Rs. 9,00,000 per month.

Perquisites :

In addition to the salary, the Managing Director shall also be entitled to the following perquisites in accordance with the Rules of the Company:

i)	Personal Pay	:	Not exceeding 1 time of the total basic salary per annum as per the Company's rules.
ii)	HRA/Company Leased Accommodation	:	Not exceeding 60 % of the basic salary per annum.
iii)	Medical Reimbursement	:	Expenses incurred for the Managing Director and his family as per the Company's Rules.
iv)	Personal Accident Insurance	:	Premium as per the Company's Rules
v)	Leave Travel Concession	:	For the Managing Director and his family once in a year, incurred in accordance with the Company's Rules
vi)	Performance Pay	:	Not exceeding 2 times of the total basic salary per annum as per the Company's Rules.
vii)	Encashment of leave	:	Encashment of leave not availed by the Managing Director as per the Company's Rules.
viii)	Contribution to Funds	:	Contributions to Provident Fund, Superannuation Fund, Annuity Fund, Gratuity/Contribution to Gratuity Fund as per the Company's Rules.
ix)	Provision of car or conveyance allowance and telephone at the Managing Director'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 Managing Director's residence for his use as per the Company's Rules.
x)	Stock Option	:	As recommended by the Remuneration Committee of the Board
xi)	Other amenities and benefits	:	Such other benefits, amenities and facilities as per the Company's Rules.

- 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, 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 for car for use on Company's business and telephone at residence would not be considered as perquisites.

Signing Bonus:

In addition to the salary and perquisites, the Managing Director would be entitled to a one time signing Bonus of Rs. 30 Lakhs.

Minimum Remuneration:

Where in any Financial Year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director, remuneration by way of salary, perquisites and other allowances and benefits as specified above as the minimum remuneration for a period not exceeding three years from the date of appointment, subject to the receipt of the requisite approvals, if any.

The terms and conditions of the appointment of and the remuneration payable to the Managing Director may be varied, altered, increased, enhanced or widened from time to time by the Remuneration/Compensation Committee and the Board as it may in its discretion deem fit within the above limits and subject to the limits laid down in sections 198, 269, 309, 310, 311 and all other applicable provisions of the Companies Act, 1956 and the Rules framed thereunder read with Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, if necessary, and subject to the requisite approvals, if any, being obtained.

Memorandum of Interest:

Apart from Mr. Rajiv Sawhney who would be interested in his appointment and the remuneration payable to him, none of the other Directors is concerned or interested in the above matter.

By Order of the Board
For **Mahindra Holidays & Resorts India Limited**

Rajiv Balakrishnan
Company Secretary