

DIRECTORS' REPORT TO THE SHAREHOLDERS

To,

The Shareholders,

Your Directors have pleasure in presenting their Eighth Annual Report together with the audited the accounts of your Company for the Financial Year ended 31st March, 2015.

Performance of the Company

Your Company is yet to commence operations during the year under review.

The Financial Highlights of the Company are given below:

FINANCIAL RESULTS:

	(Rupees in Lakhs)	
	2015	2014
Income:		
Revenue from operations	–	–
Other Income	–	–
Total Income	–	–
Total Expenditure	0.81	0.53
Profit/(Loss) before Tax	(0.81)	(0.53)
Provision for Income Tax	–	–
Net Profit/(Loss) after Tax	(0.81)	(0.53)
Balance brought forward	(12.03)	(11.50)
Balance carried to Balance Sheet	(12.84)	(12.03)

Dividend and Reserves

In view of the losses, your Directors do not recommend any dividend for the year under review and also did not propose to transfer any amount to reserves.

Holding Company:

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

Auditors' Report

There is no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at 31st March, 2015.

Extract of the annual return

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

Directors

Appointment of Director

Mr. Ajay Agrawal was appointed as an Additional Director of the Company with effect from 3rd June, 2014.

Mr. Ravindera Nath Khanna, Mr. Dinesh Shetty and Mr. Ajay Agrawal was appointed as Directors w.e.f. Annual General Meeting (AGM) held on 26th September, 2014.

Retirement by Rotation of Director

Since Mr. Dinesh Shetty had retired by rotation and had been reappointed in the AGM held in 2014 and Mr. Ravindera Nath Khanna and Mr. Ajay Agrawal were appointed as Director in the aforesaid AGM, pursuant to Section 152(6) of the Act, it was mutually agreed among the Directors that Mr. Ravindera Nath Khanna shall retires by rotation, and being eligible, has offered himself for re-appointment.

Resignation of Director

Ms. Vimla Dorairaju, resigned as the Director of the Company w.e.f. the close of the business hours on 30th September, 2014. The Board places on record the valuable contribution made by her during her tenure as Director of the Company.

Key Managerial Personnel

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

Number of meetings of the Board of Directors

During the year under review, the Board met five times from 1st April, 2014 to 31st March, 2015. The Board of Directors had met once a quarter with a gap not exceeding 120 (one hundred and twenty) days between two Board Meetings.

Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2015

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

Particulars of contracts or arrangements with related parties:

During the year under review, your Company did not enter into any contract or arrangement in the nature of a Related Party Transaction (RPT) under sub-section (1) of Section 188 of the Act which was not at arms length and not in Ordinary course of business.

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

Your Directors draw attention of the members to Note No. 2.8 to the financial statements which sets out related party disclosure.

Statutory Auditors

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

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

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

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e 31st March, 2015 and the date of the Directors' Report.

Internal Financial Controls

Your Company has adequate internal financial controls with reference to financial statements.

Deposits and Loans/Advances

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

Your Company has not made any loans/advances of the nature, which are otherwise required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreements of the parent companies Mahindra Holidays & Resorts India Limited and Mahindra & Mahindra Limited with the Stock Exchanges.

Significant and Material Orders passed by the Regulators or Courts

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

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

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

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

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

Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts for the year ended 31st March, 2015, the applicable accounting standards have been followed and there is no material departure;
- (b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view the state of affairs of the Company at the end of 31st March, 2015 and of the loss of the Company for the year ended on that date;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis; and
- (e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgements

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

For and on behalf of the Board of Directors

Ravindera Nath Khanna

Ajay Agrawal

Place: Chennai

Date: 23rd April, 2015

ANNEXURE I TO THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2015

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2015**

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

Category of Shareholders	No. of Shares held at the beginning of the year (01/04/2014)				No. of Shares held at the end of the year (31/03/2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
g) Individual/HUF	–	–	–	–	–	–	–	–	–
h) Central Govt	–	–	–	–	–	–	–	–	–
i) State Govt (s)	–	–	–	–	–	–	–	–	–
j) Bodies Corp.	–	50,000	50,000	100.00	–	50,000	50,000	100.00	–
k) Banks/FI	–	–	–	–	–	–	–	–	–
l) Any Other....	–	–	–	–	–	–	–	–	–
Sub-total A (1):-	–	50,000	50,000	100.00	–	50,000	50,000	100.00	–
(2) Foreign									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–

Category of Shareholders	No. of Shares held at the beginning of the year (01/04/2014)				No. of Shares held at the end of the year (31/03/2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/Fl	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total A (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)= (A)(1) + (A)(2)	-	50,000	50,000	100.00	-	50,000	50,000	100.00	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/Fl	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Flls	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Body Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individual	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	50,000	50,000	100.00	-	50,000	50,000	100.00	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01/04/2014)			Shareholding at the end of the year (31/03/2015)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1.	Mahindra Holidays & Resorts India Limited	50,000	100.00	–	50,000	100.00	–	–
	Total	50,000	100.00	–	50,000	100.00	–	–

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

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

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

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01/04/2014)				
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 (31/03/2015)	–	–	–	–
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: Nil

B. Remuneration to other directors: Nil

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

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

INDEPENDENT AUDITOR'S REPORT

To The Members of
MAHINDRA HOTELS AND RESIDENCES INDIA LIMITED

Report on the Financial Statements:

We have audited the accompanying financial statements of **MAHINDRA HOTELS AND RESIDENCES INDIA LIMITED**, (the Company") which comprise the Balance sheet as at 31st March 2015, and the Statement of Profit and Loss account and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of the of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of sub section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the other matters included in the auditor's report and to the best of our information and according to the explanation given to us:
 1. The Company does not have any pending litigation on its financial position in its financial statements.
 2. The company did not have material foreseeable losses on long term contracts and there were no derivative contracts.
 3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For **ANIL NAIR & ASSOCIATES**
Chartered Accountants
Firm Regn No: 000175S

Place: Chennai
Date: 23rd April, 2015

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of the Company on the standalone financial statements for the year ended on 31st March, 2015. We report that:

1. The Company does not carry any fixed assets in its books. Accordingly, reporting under Paragraph 3(i)(a) and (b) of the Order does not arise.
2. The Company does not carry any Inventory in its books. Accordingly, reporting under Paragraph 3(ii)(a),(b) and (c) of the Order does not arise.
3. (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, Firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, reporting under Paragraph 3(iii)(a) and (b) of the Order does not arise.
4. In our opinion, the Company has an internal audit system commensurate with its size and nature of business. During the course of our audit, we have not observed any major weakness or fraud in the internal control system.
5. The Company has not accepted any deposits from public, under the provisions of the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and hence, reporting under Paragraph 3(v) does not arise.
6. The Central Government has not prescribed the maintenance of Cost Records under sub section (1) of Section 148 of the Act for any of the services rendered by the Company. Hence, reporting under Paragraph 3(vi) is not applicable.
7. (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is regular in depositing undisputed statutory dues including Income Tax, Value Added Tax, and other statutory dues as applicable with the appropriate authorities.
 - (b) There are no dues which has not been deposited as on March 31, 2015 on account of disputes and hence, reporting under Paragraph 3(vii) does not arise.
8. The Company has accumulated losses at the end of the financial year. The Company has incurred cash losses in the current financial year and in the immediately preceding financial years.
9. According to the information given to us, the Company has not defaulted in the repayment of dues to any financial institutions or bank or debenture holders.
10. According to the information given to us, the Company has not given any guarantee for loans taken by others from banks or financial Institutions wherein the terms and conditions of such loans are prejudicial to the interest of the Company.
11. The Company has not availed any term loans during the year. Hence, reporting under Paragraph 3(xi) of the Order does not arise.
12. According to the information and explanations given to us, no material fraud on or by the Company has been noted or reported during the course of the audit.

For **ANIL NAIR & ASSOCIATES**
Chartered Accountants
Firm Regn No: 000175S

Place: Chennai
Date: 23rd April, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

In Rs.

Particulars	Note	As at 31-Mar-15	As at 31-Mar-14
EQUITY AND LIABILITIES			
Shareholders' funds:			
Share capital	1.1	500,000	500,000
Reserves and surplus	1.2	(1,283,777)	(1,202,833)
		<u>(783,777)</u>	<u>(702,833)</u>
Current liabilities:			
Other current liabilities	1.3	785,277	704,333
		<u>785,277</u>	<u>704,333</u>
		<u>1,500</u>	<u>1,500</u>
ASSETS			
Current assets:			
Cash and Bank balances	1.4	1,500	1,500
		<u>1,500</u>	<u>1,500</u>
		<u>1,500</u>	<u>1,500</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	2		

The Notes referred above forms an integral part of Balance Sheet

This is the Balance Sheet
referred to in our report of even date

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

On behalf of the Board

P. Narayanan
Partner
Membership No :201758

Ajay Agarwal
Director

Ravindera Nath Khanna
Director

Place : Chennai
Date : 23rd April 2015

Place : Chennai
Date : 23rd April 2015

Place : Chennai
Date : 23rd April 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note No	In Rs.	
		Year ended 31-Mar-15	Year ended 31-Mar-14
Revenue from operations		-	-
Total Revenue		-	-
EXPENDITURE:			
Other expenses	1.5	80,944	52,849
Total Expenses		80,944	52,849
Profit before tax		(80,944)	(52,849)
Less : Tax expense			
– Current tax		-	-
– Deferred tax		-	-
Profit/loss for the year		(80,944)	(52,849)
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	2		

The Notes referred above forms an integral part of the Statement of Profit & Loss

In terms of our report attached

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

On behalf of the Board

P. Narayanan
Partner
Membership No :201758

Ajay Agarwal
Director

Ravindera Nath Khanna
Director

Place : Chennai
Date : 23rd April 2015

Place : Chennai
Date : 23rd April 2015

Place : Chennai
Date : 23rd April 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	Year ended 31-Mar-15	In Rs. Year ended 31-Mar-14
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxation & extraordinary items	(80,944)	(52,849)
Adjustment for:		
Operating Profit before working capital changes	(80,944)	(52,849)
Adjustment for changes in working capital	-	-
Decrease in Sundry creditors and Other Payables	80,944	52,849
	80,944	52,849
Cash generated from Operation	-	-
Less: Taxes Paid	-	-
Net Cash used in Operating Activity	-	-
B. CASH FLOW FROM INVESTING ACTIVITY		
Net Cash used in Investing Activity	-	-
C. CASH FLOW FROM FINANCING ACTIVITY		
Net cash from Financing Activity	-	-
Net decrease in Cash & Cash Equivalent	-	-
Cash & Cash Equivalents:		
Opening Balance (See Note: 1.4)	1,500	1,500
Closing Balance (See Note: 1.4)	1,500	1,500

Note to the cash flow statement

1. *Cash and Cash Equivalents*

Cash and cash equivalents consist of cash on hand and balances with banks.

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts.

	31-Mar-15 Rs.	31-Mar-14 Rs.
Cash on Hand & Balance with Bank	1,500	1,500
Cash and cash equivalents as restated	1,500	1,500

For **Anil Nair & Associates**

Chartered Accountants

Firm Regn No :000175S

P. Narayanan

Partner

Membership No :201758

Place : Chennai

Date : 23rd April 2015

On behalf of the Board

Ajay Agarwal

Director

Place : Chennai

Date : 23rd April 2015

Ravindera Nath Khanna

Director

Place : Chennai

Date : 23rd April 2015

NOTES ON ACCOUNTS

Note 1.1: Share Capital

Particulars	In Rs.			
	As at 31-Mar-15 Nos	As at 31-Mar-15 Amount	As at 31-Mar-14 Nos	As at 31-Mar-14 Amount
A) Authorised:				
50,000 equity shares of Rs. 10 each	50,000	500,000	50,000	500,000
	<u>50,000</u>	<u>500,000</u>	<u>50,000</u>	<u>500,000</u>
B) Issued and Subscribed:				
Equity:				
50,000 equity shares of Rs. 10 each	50,000	500,000	50,000	500,000
	<u>50,000</u>	<u>500,000</u>	<u>50,000</u>	<u>500,000</u>

Notes:

- The company has only one class of shares referred to as equity shares having a par value of Rs 10/-. Each holder of equity share is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.
- Reconciliation of the Number of Shares and amount outstanding at the beginning and at the end of the reporting period :

Particulars	As at	As at	As at	As at
	31 st March, 2015 Nos	31 st March, 2015 Amount	31 st March, 2014 Nos	31 st March, 2014 Amount
At the beginning of the year	50,000	500,000	50,000	500,000
Add: Issued during the year	-	-	-	-
Closing Balance	<u>50,000</u>	<u>500,000</u>	<u>50,000</u>	<u>500,000</u>

- Shares in the company held by each shareholder holding more than 5% shares specifying the number of shares held.

Name of shareholder	No of shares	% held as at 31 st March 2014
Mahindra Holidays and Resorts India Ltd.,	49,994	99.99%

Note 1.2: Reserves & Surplus

Particulars	In Rs.	
	As at 31-Mar-15	As at 31-Mar-14
Surplus/(Deficit) in Profit & Loss Account:-		
Opening balance	(1,202,833)	(1,149,984)
Add:-		
Profit/(Loss) for the Year	(80,944)	(52,849)
Closing Balance	<u>(1,283,777)</u>	<u>(1,202,833)</u>

Note 1.3: Other Current Liabilities

Particulars	In Rs.	
	31-Mar-15	31-Mar-14
Due to Holding Company	740,333	670,625
Audit Fees Payable	33,708	33,708
Other Outstanding Payable	11,236	-
	<u>785,277</u>	<u>704,333</u>

Note 1.4: Cash & Bank Balances

Cash & Cash Equivalents	
Cash on hand	-
	<u>-</u>
Other Bank Balances	
On current account	1,500
	<u>1,500</u>
	<u>1,500</u>

Note 1.5: Other Expense

	Year ended 31-Mar-15	Year ended 31-Mar-14
	Rates and taxes	4,000
Legal and Professional Charges	43,236	18,541
Auditors' remuneration	33,708	33,708
	<u>80,944</u>	<u>52,849</u>

NOTE 2:

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

Significant Accounting Policies

1. Accounting Convention

- a. The financial statements have been prepared under Historical Cost Convention and in accordance with the accounting standards referred to in Section 129 (1) of the Companies Act, 2013.
- b. The company generally follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.

2. Fixed Assets

There were no fixed assets in the company during the year ended March 31, 2015.

3. Revenue Recognition

The company had not commenced commercial operations during the year ended March 31, 2015.

4. Inventories

The company did not have inventories during the year ended March 31, 2015.

5. Retirement Benefits

The company did not have any employees on rolls during the year ended March 31, 2015.

As per our report of even date:

For **Anil Nair & Associates**

Chartered Accountants

Firm Regn No: 000175S

P. Narayanan

Partner

Membership No :201758

Place : Chennai

Date : 23rd April 2015

6. Taxes on Income

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

7. Earnings per share

Since the company did not have any commercial operations during the year ended March 31, 2015 the Accounting Standard ('AS') 21 on Earnings Per Share, issued by the Institute of Chartered Accountants of India would not be applicable to the company.

8. Related party Transactions

There are transactions with related parties, required to be disclosed as per AS 18 on Related Party Disclosure issued by Institute of Chartered Accountants of India, during the year ended March 31, 2015.

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

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

- (ii) The related party transactions are as under:

Name of transactions	Holding company
	Year ended March 31, 2015
Outstanding	
Payable	740,333

9. Segment Reporting:

The Company did not commence commercial operations during the year ended March 31, 2015. Hence, the disclosure requirement as per AS 17 on Segment Reporting would not be applicable to the company.

On Behalf of the Board

For Mahindra Hotels & Residences India Limited

Ajay Agarwal
Director

Ravindra Nath Khanna
Director

Place : Chennai
Date : 23rd April 2015

Place : Chennai
Date : 23rd April 2015

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Company for the financial year ended 31st March, 2015.

PRINCIPAL ACTIVITY

The Company's principal activities are holding of investment properties and provision of time-sharing services.

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

FINANCIAL RESULTS

	RM	INR
Net loss for the year before taxation	(99,650)	(16,75,356)
Less: Taxation	2,900	48,756
Net loss for the year after taxation	(102,550)	(17,24,112)

DIVIDENDS

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

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

OPTIONS

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

DIRECTORS

The name of the Directors of the Company who held office since the date of the last report and the date of this report are:-

Ravindera Nath Khanna

Koh Yeow York

Koh Tong Ngee

Ajay Agarwal (Appointed on 28.08.2014)

Dinesh Shivanna Shetty (Appointed on 28.08.2014)

During the year under review, Ms. Vimla Dorairaju resigned from the Directorship of the Company, w.e.f. 28th August, 2014. The Board places on record its sincere appreciation for the valuable services rendered and guidance received from her during her tenure as a Director.

DIRECTORS' INTEREST

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

DIRECTORS' BENEFITS

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

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

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction

or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results of the operations of the Company for the financial year in which this report is made.

HOLDING COMPANY

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

AUDITORS

The auditors, Messrs. Lloyds.Earle.Panicker, Chartered Accountants, have intimated their willingness to continue in office in accordance with Section 172(2) of the Companies Act, 1965.

Signed on behalf of the Board of Directors in accordance with a Resolution of the Directors.

Ajay Agarwal

Director

Ravindera Nath Khanna

Director

Place : Kuala Lumpur

Dated : 30th April, 2015

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

Report on the Financial Statements

We have audited the financial statements of Heritage Bird (M) Sdn. Bhd., which comprise the balance sheet as at 31 March 2015, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 789 to 795.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 March 2015 and of its financial performance and cash flows for the period then ended.

Emphasis of matter

Without qualifying our opinion, we wish to draw attention to Note 14 to the financial statements. The Company has incurred losses which exceed the issued and fully paid up capital of the Company. However the financial statements have been prepared on a going concern basis, which is dependent upon the future profitable operation and additional finance sufficient to sustain operations.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

KESAVAN K. PANICKER
761/03/17(J)
Chartered Accountant

Place : Kuala Lumpur
Dated : 30 April, 2015

BALANCE SHEET AS AT 31 MARCH 2015

	Note	F-2015 In MYR	F-2015 In INR	F-2014 In MYR	F-2014 In INR
NON CURRENT ASSETS					
Property, plant and equipment	5	4,249,346	71,441,705	4,348,168	73,103,140
CURRENT ASSETS					
Trade Receivables	6	204,924	3,445,264	681,114	11,451,161
Non-Trade Receivables		47,430	797,412	47,430	797,412
Cash at Bank		69,797	1,173,455	84,051	1,413,099
		<u>322,151</u>	<u>5,416,131</u>	<u>812,595</u>	<u>13,661,672</u>
CURRENT LIABILITIES					
Trade Payables		74,640	1,254,878	173,825	2,922,415
Non-Trade Payables		96,929	1,629,609	121,881	2,049,112
Amount due to Directors	7	14,000	235,374	–	–
Amount due to holding company	8	4,763,835	80,091,500	5,131,914	86,279,791
Taxation		900	15,131	9,400	158,037
		<u>4,950,304</u>	<u>83,226,491</u>	<u>5,437,020</u>	<u>91,409,355</u>
Net Current Liabilities		<u>(4,628,153)</u>	<u>(77,810,359)</u>	<u>(4,624,425)</u>	<u>(77,747,683)</u>
		<u>(378,807)</u>	<u>(6,368,654)</u>	<u>(276,257)</u>	<u>(4,644,543)</u>
FINANCED BY:					
Share Capital	9	300,002	5,043,754	300,002	5,043,754
Accumulated loss		(678,809)	(11,412,408)	(576,259)	(9,688,297)
SHAREHOLDER'S EQUITY		<u>(378,807)</u>	<u>(6,368,655)</u>	<u>(276,257)</u>	<u>(4,644,543)</u>

The notes form an integral part of these Financial statements

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	Note	F-2015 In MYR	F-2015 In INR	F-2014 In MYR	F-2014 In INR
Revenue	10	897,620	15,091,146	897,550	15,089,970
Cost of Sales		325,799	5,477,463	280,413	4,714,416
Gross Profit		571,821	9,613,683	617,137	10,375,554
Administration Expenses		262,496	4,413,188	205,103	3,448,274
Profit from operations	11	309,325	5,200,496	412,034	6,927,280
Finance Charges	12	408,975	6,875,851	408,975	6,875,851
Net Profit/(loss) before taxation		(99,650)	(1,675,356)	3,059	51,429
Taxation	13	2,900	48,756	9,400	158,037
Net Loss for the year		(102,550)	(1,724,112)	(6,341)	(106,607)

The notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2015

	F-2015 In MYR	F-2015 In INR	F-2014 In MYR	F-2014 In INR
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(loss) before taxation	(99,650)	(1,675,356)	3,059	51,429
Adjustment:				
Depreciation on property, plant & equipments	98,822	1,661,435	98,822	1,661,435
Operating profit/(loss) before working capital changes	(828)	(13,921)	101,881	1,712,864
Changes in receivables	476,190	8,005,897	(671,496)	(11,289,459)
Changes in payables	(124,137)	(2,087,041)	62,248	1,046,538
Cash generated from/(absorbed by) operations	351,225	5,904,935	(507,367)	(8,530,057)
Tax paid	(11,400)	(191,661)	–	–
Net cash from/(used in) operating activities	339,825	5,713,274	(507,367)	(8,530,057)
CASH FLOW FROM INVESTING ACTIVITIES				
	–	–	–	–
CASH FLOW FROM FINANCING ACTIVITIES				
Amount due to directors	14,000	235,374	–	–
Amount due to holding company	(368,079)	(6,188,291)	368,078	6,188,275
Net cash from/(used in) financing activities	(354,079)	(5,952,918)	368,078	6,188,275
Net Decrease in cash and cash equivalents	(14,254)	(239,644)	(139,289)	(2,341,782)
Cash and cash equivalents brought forward	84,051	1,413,099	223,340	3,754,881
Cash and cash equivalents carried forward	69,797	1,173,455	84,051	1,413,099

The notes form an integral part of these financial statements.

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	F-2015	F-2015	F-2014	F-2014
	In MYR	In INR	In MYR	In INR
REVENUE	897,620	15,091,146	897,550	15,089,970
LESS: COST OF SALES	325,799	5,477,463	280,413	4,714,416
GROSS PROFIT	571,821	9,613,683	617,137	10,375,554
<u>EXPENDITURE</u>				
<u>Administration Expenses</u>				
Audit fee	13,500	226,967	11,000	184,936
Accountancy fee	30,000	504,372	30,000	504,372
Assessment and quit rent	4,875	81,960	703	11,819
Astro	19,137	321,739	15,396	258,844
Bank charges	209	3,514	131	2,202
Depreciation	98,822	1,661,435	98,822	1,661,435
Directors fee	42,000	706,121	–	–
Electricity Charges	25,776	433,356	26,938	452,892
Fine & Penalty	1,787	30,044	–	–
Insurance	2,748	46,200	–	–
Printing & stationery	3,261	54,825	3,266	54,909
Professional Fees	6,320	106,254	6,230	104,741
Secretarial fees and Charges	4,000	67,250	1,613	27,118
Upkeep of premises	7,068	118,830	7,060	118,696
Water Charges	2,993	50,320	3,944	66,308
	262,496	4,413,188	205,103	3,448,274
FINANCE CHARGE				
Interest on loan	408,975	6,875,851	408,975	6,875,851
NET PROFIT/(LOSS) FOR THE YEAR	(99,650)	(1,675,356)	3,059	51,429

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	Share Capital	Accumulated Losses	Total
	In MYR	In MYR	In MYR
Balance as at 31 st March, 2013	300,002	(569,918)	(269,916)
Loss for the year	–	(6,341)	(6,341)
Balance as at 31 st March, 2014	300,002	(576,259)	(276,257)
Loss for the year	–	(102,550)	(102,550)
Balance as at 31 st March, 2015	<u>300,002</u>	<u>(678,809)</u>	<u>(378,807)</u>

	Share Capital	Accumulated Losses	Total
	In INR	In INR	In INR
Balance as at 31 st March, 2013	5,043,754	(9,581,689)	(4,537,936)
Loss for the year	–	(106,607)	(106,607)
Balance as at 31 st March, 2014	5,043,754	(9,688,297)	(4,644,543)
Loss for the year	–	(1,724,112)	(1,724,112)
Balance as at 31 st March, 2015	<u>5,043,754</u>	<u>(11,412,408)</u>	<u>(6,368,655)</u>

The notes form an integral part of these financial statements.

Notes to the Financial Statements 31 March 2015

1. PRINCIPAL ACTIVITIES

The Company's principal activities are holding of investment properties and provision of timesharing services.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

3. FINANCIAL RISK MANAGEMENT POLICIES

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

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

a) Liquidity and cash flow risks

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

b) Foreign currency risk

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

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

4. ACCOUNTING POLICIES

a) Basis of accounting

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

b) Cash and cash equivalents

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

c) Income tax

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

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

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

Deferred tax is recognized in the income statement, except when it arises from a transaction which is recognized directly in equity. In this case the deferred tax is charged or credited directly in equity.

When the deferred tax arises from a business combination that is an acquisition, it is included in the resulting goodwill or negative goodwill.

d) Financial instruments

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

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

e) Provisions

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

f) Foreign currency transactions and balances

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

g) Trade receivables

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

h) Property, plant and equipment

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

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

Furniture and fittings	10%
Freehold building	2%

i) Impairment of assets

The carrying values of assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash-generating unit.

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

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

j) Revenue recognition

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

5. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fittings	Freehold Building	F-2015	F-2015	F-2014	F-2014
			Total (In MYR)	Total (In INR)	(In MYR)	(In INR)
Net Book Value:						
Opening balance	–	4,348,168	4,348,168	73,103,140	4,446,990	74,764,575
Depreciation charge	–	(98,822)	(98,822)	(1,661,435)	(98,822)	(1,661,435)
Closing balance	–	4,249,346	4,249,346	71,441,705	4,348,168	73,103,140
As at 31 March 2014						
Cost	50,254	4,941,100	4,991,354	83,916,640	–	–
Accumulated depreciation	(50,254)	(592,932)	(643,186)	(10,813,500)	–	–
Net book value	–	4,348,168	4,348,168	73,103,140	–	–
As at 31 March 2015						
Cost	50,254	4,941,100	4,991,354	83,916,640	4,991,354	83,916,640
Accumulated depreciation	(50,254)	(691,754)	(742,008)	(12,474,935)	(643,186)	(10,813,500)
Net book value	–	4,249,346	4,249,346	71,441,705	4,348,168	73,103,140

6. TRADE RECEIVABLES

Included under Trade Receivables is an amount of MYR 198,309 (INR 3,334,050), (2014: MYR 673,215 (INR 11,318,360)) due by the holding company.

7. AMOUNT DUE TO DIRECTORS

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

8. AMOUNT DUE TO HOLDING COMPANY

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

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

9. SHARE CAPITAL

	F-2015		F-2014			
	No of Shares	In MYR	In INR	No of Shares	In MYR	In INR
Authorised ordinary shares of RM1 each						
Balance b/f	500,000	500,000	8,406,200	500,000	500,000	8,406,200
Created during the year	–	–	–	–	–	–
Balance c/f	500,000	500,000	8,406,200	500,000	500,000	8,406,200
Issued and fully paid ordinary shares of MYR 1 each						
Balance b/f	300,002	300,002	5,043,754	300,002	300,002	5,043,754
Issued during the year	–	–	–	–	–	–
Balance c/f	300,002	300,002	5,043,754	300,002	300,002	5,043,754

10. REVENUE

Revenue represents income from time-sharing sales and rental income receivable.

11. PROFIT FROM OPERATIONS

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

	In MYR F-2015	In INR F-2015	In MYR F-2014	In INR F-2014
Audit fee	13,500	226,967	11,000	184,936
Assessment and quit rent	4,875	81,960	703	11,819
Depreciation of property, plant and equipment	98,822	1,661,435	98,822	1,661,435
Directors fee	42,000	706,121		

12. FINANCIAL CHARGE

	In MYR F-2015	In INR F-2015	In MYR F-2014	In INR F-2014
Interest on loan paid to holding company	408,975	6,875,851	408,975	6,875,851

13. TAXATION

	In MYR F-2015	In INR F-2015	In MYR F-2014	In INR F-2014
Current year's provision	900	15,131	9,400	158,037
Under provision for previous year	2,000	33,625	–	–
	2,900	48,756	9,400	158,037

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

	In MYR	In INR	In MYR	In INR
Profit before tax	(99,650)	(1,675,356)	3,059	51,429
Tax at statutory income tax rate of 20%	(19,930)	(335,071)	612	10,286
Tax effect of expenses that are not deductible for tax purposes	2,071	34,818	1,628	27,371
Deferred tax not recognised in the financial statements	18,759	315,384	16,699	280,750
Unutilised tax losses	–	–	(9,539)	(160,373)
Underprovision from previous year	2,000	33,625	–	–
	2,900	48,756	9,400	158,037

14. GOING CONCERN

The Company has net current liabilities and deficiency in shareholders' funds amounting to MYR 4,628,153 (Rs. 77,810,359) (2014: MYR 4,624,425 (Rs. 77,747,683) and MYR 378,807 (Rs. 6,368,655) (2014: MYR 276,257 (Rs. 4,644,543) respectively.

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

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

15. RELATED PARTY TRANSACTIONS

	(In MYR) F-2015	(In INR) F-2015	(In MYR) F-2014	(In INR) F-2014
Revenue	(897,620)	(15,091,146)	(838,215)	(14,092,406)
Interest on Loan	408,975	6,875,851	408,975	6,875,851

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

16. EMPLOYEES

The number of employees of the Company as at 31 March 2015 is Nil. (2014: Nil)

17. COMPARATIVES

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

18. DATE OF AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The Financial Statements were authorised for issue by the board of directors on 30 April 2015.

19. EXCHANGE RATES

Foreign Currency (FC) amounts are translated for convenience into Indian Rupees at the exchange rate of Rs.16.8124 = MYR 1, which is the Bloomberg rate as on 31st March 2015.

DIRECTORS' REPORT TO THE SHAREHOLDERS

To,

The Shareholders,

Your Directors have pleasure in presenting their Eighth Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2015.

Performance of the Company

During the year under review, your Company's resort property situated at Jaisalmer, Rajasthan was fully operational. Your Company carried out upgradations to the resort property to augment the guest's overall experience and to increase its revenue.

FINANCIAL RESULTS:

	(Rupees in Lakhs)	
	2015	2014
Income:		
Revenue from operations	321.10	185.93
Other Income	26.13	6.02
	347.23	191.95
Total Expenditure	826.29	298.09
Profit / (Loss) before Tax	(479.06)	(106.14)
Provision for Income Tax	0	0
Net Profit / (Loss) after Tax	(479.06)	(106.14)
Balance brought forward	(576.05)	(469.91)
Adjustment of Depreciation as per useful life	(1.09)	0
Balance carried to Balance Sheet	(1056.20)	(576.05)

Dividend and Reserves

In view of the losses, your Directors do not recommend any dividend for the year under review and also do not propose to transfer any amount to reserves.

Holding Company

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

Scheme of Amalgamation and Arrangement

During the year under review, the Board approved the Scheme of Amalgamation and Arrangement for merger of the Company with Mahindra Holidays & Resorts India Limited (MHRIL), holding company, and their respective Shareholders and Creditors. The Scheme of Amalgamation and Arrangement ("the Scheme") also involves the merger of Competent Hotels Private Limited and Holiday on Hills Resorts Private Limited, fellow subsidiaries, with MHRIL and their respective Shareholders and Creditors. Accordingly, the Scheme will be effective from the last of the dates on which the certified or authenticated copies of the Orders of the Hon'ble High Courts of Rajasthan, Delhi, Himachal Pradesh and Madras are filed with the Registrar of Companies at Jaipur, Delhi, Chandigarh & Shimla and Chennai respectively.

Your Company is in the process of filing application with the Rajasthan High Court, Jaipur Bench in respect of the above. The Appointed Date of the Scheme is 1st April, 2015.

Auditors' Report

There are no reservations, qualifications or adverse remarks or disclaimers made by the Statutory Auditor in the Auditor's Report.

Extract of the Annual Return

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

Directors

Retirement by Rotation of Director

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

Appointment of Director

During the year under review, Mr. Ajay Agrawal was appointed as an Additional Director of the Company with effect from 3rd June, 2014 and his appointment as Director was subsequently approved by the shareholders of the Company at the last Annual General Meeting held on 26th September, 2014.

Key Managerial Personnel

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

Number of meetings of the Board of Directors

During the year under review, the Board met five (5) times from 1st April, 2014 to 31st March, 2015. The Board of Directors had met once a quarter with a gap not exceeding 120 (one hundred and twenty) days between two Board Meetings.

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

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

Particulars of contracts or arrangements with related parties

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

During the year under review, your Company availed Inter Corporate Deposit (ICD) from Mahindra Holidays & Resorts India Limited (MHRIL), holding company, amounting to Rs. 1077 Lakhs. As on 31st March, 2015, the aggregate ICD availed by your company from MHRIL was at Rs. 2764 Lakhs.

During the year under review, your Company entered into transactions including transactions which were material in nature with Mahindra Holidays & Resorts India Limited (MHRIL), holding company. Your Directors confirm that these transactions with MHRIL are in ordinary course of business and at arms length. The details of these material transactions are given in Form AOC 2 attached as Annexure II to this report.

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

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

Statutory Auditors

Messrs S.C. Bapna & Associates, Chartered Accountants, Jaipur (ICAI Registration Number 115649W), were appointed as Statutory Auditors of the Company for a term of five years, from the conclusion of the 7th Annual General Meeting held on 26th September, 2014 till the conclusion of sixth Annual General Meeting (AGM) to be held in the year 2019, subject to a yearly ratification of such appointment by shareholders at the AGM.

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

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

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e 31st March, 2015 and the date of the Directors' Report.

Internal Financial Controls

Your Company has an adequate internal financial controls with reference to financial statements.

Deposits and Loans/Advances

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

Your Company has not made any loans/advances of the nature, which are otherwise required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of

the Listing Agreements of the parent companies, Mahindra Holidays & Resorts India Limited and Mahindra & Mahindra Limited with the Stock Exchanges.

Significant and Material Orders passed by the Regulators or Courts

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

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

Your Company continuously strives to conserve energy, adopt environment friendly practices and employ technology for more efficient operations.

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

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

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

Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts for the year ended 31st March, 2015, the applicable accounting standards have been followed and there is no material departure;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of 31st March, 2015 and of the loss of the Company for the year ended on that date;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis; and
- (e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgements

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

For and on behalf of the Board of Directors

Dinesh Shetty
Director

Ajay Agrawal
Director

Place : Chennai

Date : 9th April, 2015

ANNEXURE I TO THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2015

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2015**

[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	U55101RJ2008PTC025734
ii	Registration Date	23rd January, 2008
iii	Name of the Company	Divine Heritage Hotels Private Limited
iv	Category/Sub-Category of the Company	Company Limited by Shares/Indian Non-Government Company
v	Address of the Registered office of the Company	No. 24, 25 & 26, Mahindra Towers, Durga Vihar Colony, Tonk Road, Jaipur, Rajasthan – 302018; Ph No. - 0141-5161200; email - arun.khandelwal@mahindraholidays.com
vi	Whether listed company	NO
vii	Name of Registrar and Transfer Agent Address of Registrar and Transfer Agent Contact details of Registrar and Transfer Agent	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Income from sale of Food and Beverages	55101	46.69%
2	Income from Room Rental	55101	43.61%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2014				No. of Shares held at the end of the year 31/03/2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	7,00,000	7,00,000	100.00	–	7,00,000	7,00,000	100.00	NIL
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other...	–	–	–	–	–	–	–	–	–
Sub-total A(1):-	–	7,00,000	7,00,000	100.00	–	7,00,000	7,00,000	100.00	NIL

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2014				No. of Shares held at the end of the year 31/03/2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other...	–	–	–	–	–	–	–	–	–
Sub-total A(2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A)(1) +(A)(2)	–	7,00,000	7,00,000	100.00	–	7,00,000	7,00,000	100.00	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–
2. Non-Institutions									
a) Bodies Corp.	–	–	–	–	–	–	–	–	–
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individual	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B)= (B)(1) + (B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	–	7,00,000	7,00,000	100.00	–	7,00,000	7,00,000	100.00	NIL

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2014			Shareholding at the end of the year 31/03/2015			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1.	Mahindra Holidays & Resorts India Limited	7,00,000	100.00	Nil	7,00,000	100.00	Nil	Nil
	Total							

(iii) Change in Promoters' Shareholding (please specify, if there is no change)- No Change during the year

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

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

V. INDEBTEDNESS

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

(Rs. in lakh)

	Secured Loans excluding deposits	Unsecured Loans (ICD)	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01/04/2014)				
i) Principal Amount	–	1,687.00	–	1,687.00
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	117.49	–	117.49
Total (i+ii+iii)	–	1,804.49	–	1,804.49
Change in Indebtedness during the financial year	–	1,225.51	–	1,225.51
• Addition		–	–	–
• Reduction		–	–	–
Net change	–	1,225.51	–	1,225.51
Indebtedness at the end of the financial year (31/03/2015)				
i) Principal Amount	–	2,764.33	–	2,764.33
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	265.68	–	265.68
Total (i+ii+iii)	–	3,030.00	–	3,030.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

B. Remuneration to other directors: Nil

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD: Nil

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.

ANNEXURE II TO THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2015**Form No. AOC – 2**

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

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

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

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

(a) Name(s) of the related party	Mahindra Holidays & Resorts India Limited	
Nature of relationship	Holding Company	
(b) Nature of contracts/arrangements/transactions	Room Inventory Agreement	Deputation Arrangement
(c) Duration of the contracts/arrangements/transactions	1 year	On going basis
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Room Inventory to be made available on requisition basis. Period of agreement is one year. Aggregate value paid Rs. 132 lakh for the FY 2014-15.	Deputation of employees of holding company. Aggregates value paid Rs. 62 lakh for the FY 2014-15.
(e) Date(s) of approval by the Board, if any:	NA	NA
(f) Amount paid as advances, if any;	Nil	Nil

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

For and on behalf of the Board of Directors

Dinesh Shetty
Director

Ajay Agrawal
Director

Place : Chennai

Date : 9th April, 2015

ANNEXURE III TO THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2015**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.

- Energy meters were installed for monitoring of energy consumption.
- LED lights were installed.

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

(iii) the capital investment on energy conservation equipment: Rs. 10 lakh

(B) Technology absorption:

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

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

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

(a) The details of technology imported: Nil

(b) The year of import: Nil

(c) Whether the technology been fully absorbed: Not Applicable

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

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

(C) Foreign exchange earnings and Outgo:

There were no foreign exchange earnings and outgo during the financial year ended 31st March, 2015 (Refer note no. 26 of the notes on accounts).

For and on behalf of the Board of Directors

Dinesh Shetty
Director

Ajay Agrawal
Director

Place : Chennai

Date : 9th April, 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS

DIVINE HERITAGE HOTELS PRIVATE LIMITED

Report on the Financial Statements

1. We have audited the accompanying Financial Statements of DIVINE HERITAGE HOTELS PRIVATE LIMITED Which comprise the Balance Sheet as at 31st March, 2015, and the statement of Profit & Loss for the year then ended, and the summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's responsibility for the financial statements

2. The company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the company in accordance with the accounting standards referred to in sub section (3C) of section 123 of 'the Companies Act , 2013' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards of Auditing issued by the Institute Of Chartered Accountants Of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2015 and;

In the case of the Statement of Profit & Loss, of the Losses for the year ended on 31st March, 2015.

In the case of the Cash Flow Statement, of the cash flows for the year ended on 31st March, 2015.

7. The company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Emphasis of Matter

8. Without qualifying, attention is drawn as under:
 - a) With regard to Note No. 30 to the financial statements, it is stated that the company has incurred an accumulated losses of Rs. 1056.19 Lacs as at 31st March, 2015 and, as of that date, the Company's current liabilities exceeded its total assets by Rs. 781.88 Lacs. The conditions may indicate that existence of the uncertainty that may cast a doubt about the company's ability to continue as a going concern. However, the financial statements have been prepared on the assumption that the company is a going concern having regard to the financial support extended by the holding company (which includes loans aggregating Rs. 2764.33 Lacs) as well as their commitment of future financial support to enable the company to meet its financial obligations and continue as a going concern.

Report on other legal and regulatory requirements

9. As required by the Companies (Auditors Report) order, 2004, as amended by the companies (Auditors Report) (Amendment) order, 2015, issued by the central government of India in terms of sub section (11) of section 143 of the Act (hereinafter referred to as the "order") and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

10. As required by section 143(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- (b) In our opinion , proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow dealt with by this report are in agreement with the books of Accounts;
- (d) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 133 of the Act.

- (e) On the basis of written representation received from the directors as on March, 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of sub section (2) of section 164 of companies Act, 2013.

For S. C. BAPNA & ASSOCIATES
Chartered Accountant
(Registration No. 115649W)

(Vikesh Jain)

Partner

M. No. 406182

Place : Jaipur

Dated : 09.04.2015

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our paragraph "Report on Other Legal and Regulatory requirements" report to the members of Divine Heritage Hotels Pvt. Ltd. for the Year ended 31st March, 2015, we report that :

- (i) (a) According to the information and explanations given to us, the company is in process of compiling its fixed assets register.
- (b) We have been explained that physical verification was conducted by the management during the year of all its fixed assets and the value thereof as per the books of account of the Company. In our opinion, same is reasonable having regard to the size of the Company and the nature of its assets. We have been informed that certain fixed assets were physically verified by the management during the year and no material discrepancy has been noticed on such verification as compared to the books of accounts.
- (ii) (a) It is explained that the management has physically conducted the physical verification of inventory at reasonable intervals.
- (b) The procedure of physical verification of inventory followed by management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancy was noticed on physical verification.
- (iii) The Company has not granted loans to other parties covered in the register maintained u/s 189 of the Act.
- (iv) There is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. There are no continuing failures to correct major weaknesses in internal control.
- (v) During the year the company has not accepted any deposit from the public excepting some deposits which were accepted from its holding company being exempted deposits in compliance of directives issued by the Reserve Bank of India and the provisions of the sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under with regard to deposits. According to information and explanation given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
- (vi) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for any products of the Company.

- (vii) (a) The company is regular in depositing undisputed statutory dues including Provident Fund, Employees state Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other Statutory dues with the appropriate authorities. There is no arrears of outstanding statutory dues as at the last date of financial year for a period of more than 6 months from the date they become payable.
- (b) According to the information and explanations given to us, and the records of the Company examined by us, the particulars of the dues of income – tax as at March 31, 2015 which have not been deposited on account of a dispute is as follows:

S.No	Name of The Statue	Nature of the Dues	(Rs. In lac)	Period to which the amount relates	Forum where dispute is pending
1.	Income Tax Act	Income Tax and Interest	25.79	2008-09	CIT Appeal – II Jaipur

- (c) According to information and explanations given to us, company is not required to transfer any amount to Investor's Education and Protection Fund pursuant to section 125 of the companies Act, 2013
- (viii) According to the information and explanations given to us, the accumulated losses exceed 50% of its net worth at the end of financial year. Further, the company has incurred cash losses during the financial year and as well as in the immediately preceding financial year.
- (ix) The company has not borrowed any funds from banks/ Financial Institutions and/ or by way of Debentures.
- (x) According to the to information and explanations given to us, the company has not given any guarantee for loans taken by others from Bank or financial institutions.
- (xi) According to the information and explanations given to us, the company has not outstanding term loans during the year.
- (xii) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our Audit.

For S. C. BAPNA & ASSOCIATES
Chartered Accountant
(Registration No.115649W)

(Vikesh Jain)

Partner

Place : Jaipur

Dated : 09.04.2015

M. No. 406182

BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note	In Rupees	
		As at 31st March 2015	As at 31st March 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	7,000,000	7,000,000
Reserves and Surplus	3	(85,254,756)	(37,240,527)
		<u>(78,254,756)</u>	<u>(30,240,527)</u>
Non-Current Liabilities			
Deferred tax liabilities (net)	4	–	–
Long Term Provisions	5	66,590	62,282
		<u>66,590</u>	<u>62,282</u>
Current Liabilities			
Short- Term Borrowings	6	276,433,000	280,173,766
Trade Payables	7	5,424,051	2,658,464
Other Current Liabilities	8	65,925,706	36,949,272
Short Term Provisions	9	583,210	3,841
		<u>348,365,967</u>	<u>319,785,343</u>
TOTAL		<u>270,177,801</u>	<u>289,607,098</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	253,804,622	266,552,679
Work in progress	10	9,570,009	9,057,439
Long-Term Loans and Advances	11	321,880	346,880
		<u>263,696,511</u>	<u>275,956,998</u>
Current Assets			
Inventories	12	1,032,982	550,448
Trade Receivables	13	2,372,441	2,662,799
Cash and Cash Equivalents	14	542,485	8,879,280
Other Current Assets	15	2,533,382	1,557,573
		<u>6,481,290</u>	<u>13,650,100</u>
TOTAL		<u>270,177,801</u>	<u>289,607,098</u>
		–	–
Other Notes to the financial statements.	24–32		
Significant Accounting Policies	1		

As per our Report of even date attached

For & on behalf of Board of Directors

For S. C. Bapna & Associates
Chartered Accountants
(FRN : 115649W)

(Vikesh Jain)
Partner
M. No. 406182

Place : Jaipur
Date : 09.04.2015

Ajay Agarwal
Director

Ravindera Nath Khanna
Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note	In Rupees	
		For the year ended 31st March 2015	For the year ended 31st March 2014
Revenue from operations	16	32,110,099	18,592,940
Other income	17	2,613,281	601,675
Total Revenue		34,723,380	19,194,615
Expenses:			
Cost of materials consumed	18	7,800,029	4,980,571
Operating and Direct Expenses	19	13,427,164	6,343,356
Employees Benefit Expenses	20	10,078,272	10,282,271
Finance Costs	21	16,653,289	9,173,709
Depreciation and Amortization Expense	10	13,172,562	(15,413,819)
Other Expenses	22	21,497,567	14,443,055
Total Expenses		82,628,883	29,809,143
Profit/(Loss) before tax		(47,905,503)	(10,614,528)
Tax Expenses:			
(1) Current tax		–	–
(2) Deferred tax		–	–
Profit(Loss) for the year		(47,905,503)	(10,614,528)
Earnings Per equity share (Equity Share of Rs. 10 each)	23		
(1) Basic and Diluted		(68.44)	(15.16)
Other Notes to the financial statements.	24–32		
Significant Accounting Policies	1		

As per our Report of even date attached

For & on behalf of Board of Directors

For S. C. Bapna & Associates
Chartered Accountants
(FRN : 115649W)

(Vikesh Jain)
Partner
M. No. 406182

Ajay Agarwal
Director

Ravindera Nath Khanna
Director

Place : Jaipur
Date : 09.04.2015

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2015

Particulars	In Rupees	
	As At 31st March, 2015	As At 31st March, 2014
A. Cash Flow from Operating Activities		
Net Profit/(Loss) before tax as per Profit & Loss Account	(47,905,503)	(10,614,528)
Adjusted for:		
Loss on Sale of Fixed Assets	124,386	–
Depreciation	13,172,562	(15,413,819)
Finance Cost	16,653,289	9,173,709
Interest Income	–	–
Operating Profit before working capital changes	(17,955,266)	(16,854,638)
Adjusted for:		
(Increase)/Decrease in Inventories	(482,534)	(243,649)
(Increase)/Decrease in Trade Receivables	290,358	(153,114)
(Increase)/Decrease in Loans & Advances	25,000	(312,000)
(Increase)/Decrease in Other current assets	(975,809)	(834,923)
(Increase)/Decrease in Other non-current assets	–	–
Increase/(Decrease) in Trade payables	2,765,587	(7,997,896)
Increase/(Decrease) in Other current liabilities	14,158,035	19,363,215
Increase/(Decrease) in Short Term Provisions	579,369	3,841
Cash Flow from Operating Activities before Tax and Extra Ordinary Items	(1,595,260)	(7,029,164)
Less: Income Tax Paid (Previous Year)	–	–
Net cash flow from Operating Activities	A (1,595,260)	(7,029,164)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,415,800)	(136,915,176)
Sales of Fixed Assets	245,614	–
	–	–
Net cash flow from Investing Activities	B (1,170,186)	(136,915,176)
C. Cash Flow from Financing Activities		
Proceeds/(Repayment) of Long Term Borrowings	–	–
Proceeds/(Repayment) of Short Term Borrowings	(3,740,766)	151,113,417
Proceeds/(Repayment) of Long Term Provisions	4,308	62,282
Finance Cost	(1,834,891)	(987,449)
Net cash flow from Financing Activities	C (5,571,349)	150,188,250
Net increase/(decrease) in cash and cash equivalents	A+B+C (8,336,795)	6,243,910
Opening Balance of cash and cash equivalents	8,879,280	2,635,370
Closing Balance of cash and cash equivalents	542,485	8,879,280

As per our Report of even date attached

For & on behalf of Board of Directors

For S. C. Bapna & Associates
Chartered Accountants
(FRN : 115649W)

(Vikesh Jain)
Partner
M. No. 406182

Place : Jaipur
Date : 09.04.2015

Ajay Agarwal
Director

Ravindera Khanna
Director

NOTES ON ACCOUNTS FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE – 1

ACCOUNTING POLICIES:

A. Basis of Accounting and Preparation of Financial Statement

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. All assets and liabilities have been classified as current and noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

B. Revenue Recognition

Revenue is primarily derived from hotel operations including rental of rooms and sale of food and beverages and other allied services. Revenue is recognized when the rooms are occupied and the services have been rendered. Taxes collected and deposited with taxing authorities are not recorded in revenue.

C. Preliminary Expenses:

Preliminary expenses are to be written off in five years commencing from this Financial year.

D. Fixed Assets & Depreciation

Fixed assets are capitalized at acquisition cost, including directly attributable cost of bringing the assets to its working condition for the intended use.

In the current year, depreciation in the Company is provided, on pro-rata basis and useful life of assets, in the manner prescribed in Schedule II to the Companies Act, 2013

E. Pre-operative Expenses

Pre operative expenses up to the date of commencement of commercial operations are capitalized.

F. Taxes on income:

- i. Company's income taxes include taxes on the taxable income, adjustments attributable to earlier periods and changes in deferred taxes. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income tax Act, 1961.
- ii. Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

G. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized for the period until the asset is ready for its intended use. Other borrowing costs are recognized as expense in the year in which they are incurred.

H. Inventories

Inventories have been valued at cost.

I. Foreign Currency Transactions

Transactions in foreign exchange are accounted for at the exchange rate ruling at the transaction date. Gains and losses arising out of subsequent

fluctuations are accounted for on actual payment / realization. Gains / losses if any, at the year end in respect of current assets and current liabilities are accounted for.

J. Employee benefits

i. Short term

Short term employee benefits include salaries and performance incentives. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense in the Statement of Profit and Loss during the year when the employees render the service to the Company.

ii. Long term

The Company has defined contribution and defined benefit plans. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees.

- Defined-contribution plans

Provident Fund

The eligible employees of the company are entitled to receive post employment benefit in respect of provident fund, in which both employees and the Company make monthly contribution at a specified percentage of the employees' eligible salary. The contributions are made of the Regional Provident Fund Commissioner. Provident Fund is classified as Defined Contribution Plans as the Company has no further obligation beyond making the contribution.

The Company's contribution to the Defined Contribution Plans are charged to the statement of profit and loss as incurred

iii. Other Employee Long-Term Benefits Plan- Compensated Absences

The Company provides for encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses are recognised in the statement of profit and loss.

iv. Defined Benefits Plan - Gratuity Scheme

The Company offers its employees benefits under a defined-benefit plan in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plan are typically based either on years of service and the employee's compensation (immediately before retirement). The gratuity scheme covers substantially all regular employees. Commitments are actuarially determined at year-end. Actuarial valuation is based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss.

K. Earning Per Share

Basic earning per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares issued during the year.

L. Cash Flow Statement

The cash flow statement is prepared in accordance with "Indirect Method" as explained in accounting standard (AS)3 on "Cash Flow Statement.

Cash and bank balances and current investments that have insignificant risk of change in value which have duration up to the 3 months are included in the company's cash and cash equivalents in the cash flow statement.

M. Accounting for Provision, Contingent Liabilities and Contingent Assets

A provision is recognized when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote. A contingent asset is neither recognized nor disclosed.

N. Impairment of Assets

The carrying value of the assets (tangible or intangible) is reviewed at each balance sheet date for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. When there is an indication that an impairment loss

recognized for an asset in earlier accounting period no longer exists or may have decreased such reversal of impairment loss is recognized in the statement of profit and loss account.

O. Investments

Investments that are readily releasable and indented to be held for not more than one year from the date on which such investments were made are classified as current investments. All other investments are classified as long term investments. Long term investments are carried at cost less provision for diminution other than temporary, in the value of such investments, such diminution being determined and made for each investment individually. Current investments are carried individually, at the lower of cost or fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

For S. C. BAPNA & ASSOCIATES Chartered Accountants ON BEHALF OF THE BOARD OF DIRECTORS

(Vikesh Jain) Partner M.No. 406182 **Ajay Agarwal** (Director) **Ravindera Nath Khanna** (Director)

Place : Jaipur
Date : 09.04.2015

NOTES ON FINANCIAL STATEMENTS AS ON 31ST MARCH, 2015

Particulars	In Rupees	
	As at 31st March 2015	As at 31st March 2014
Note 2		
Share Capital		
Authorised		
7,50,000 Equity Share of Rs. 10/- Each	<u>7,500,000</u>	<u>7,500,000</u>
Issued, Subscribed & Paid up		
7,00,000 Equity Shares of Rs. 10/- each fully paid-up (previous year 7,00,000 Equity Share)	<u>7,000,000</u>	<u>7,000,000</u>
TOTAL	<u>7,000,000</u>	<u>7,000,000</u>

2.1 The number of equity shares outstanding at the beginning and at the end of each reporting years is same (i.e. 700000 equity shares) and hence reconciliation between the two numbers has not been provided.

2.2 The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. In the event of liquidation of the Company, the equity share holders are eligible to receive the remaining assets of the company, after settlement of all preferential payments, in proportion to the number of equity shares held.

2.3 The details of Shareholders holding more than 5% shares:

Name of Shareholder	As at 31.03.2015		As at 31.03.2014	
	No. of Shares	% held	No. of Shares	% held
Mahindra Holidays & Resorts India Limited, the parent company (including beneficial ownership of 100 shares held by the parent company jointly with its managing director)	700,000	100.00	700,000	100.00

Particulars	In Rupees	
	As at 31st March 2015	As at 31st March 2014
Note 3		
Reserves & Surplus		
Surplus		
Balance as per last Balance Sheet	(57,605,027)	(46,990,499)
Add: Profit/(Loss) for the year	(47,905,503)	(10,614,528)
Adjustment of Deperication as per useful life	(108,726)	-
	<u>(105,619,256)</u>	<u>(57,605,027)</u>
Reserve		
Securities premium Account	<u>20,364,500</u>	<u>20,364,500</u>
Balance Carried Forward to Balance Sheet	<u>(85,254,756)</u>	<u>(37,240,527)</u>

3.1 Pursuant to the enactment of the Companies Act 2013(the 'Act'), the company has provided depreciation in accordance with Schedule II to the Act. Further, an amount of Rs.108,726 has been debited to opening reserve being life of those assets is either Nil or Negative.

Particulars	In Rupees	
	As at 31st March 2015	As at 31st March 2014
Note 4		
Deferred tax		
Deferred tax liability		
Depreciation	11,787,036	10,613,128
Deferred tax asset		
Unabsorbed depreciation	<u>11,787,036</u>	<u>10,613,128</u>
Net deferred tax liability/(asset)	<u>-</u>	<u>-</u>

4.1 The recognition of deferred tax asset on unabsorbed depreciation has been restricted to the extent of deferred tax liability on account of timing difference in respect of depreciation, the reversal of which is virtually certain. As at the year end, the Company also had other deferred tax assets, on timing differences and carried forward business losses which have not been recognised.

Particulars	In Rupees	
	As at 31st March 2015	As at 31st March 2014
Note 5		
Long Term Provisions		
Provision for Compensated absences	19,047	62,282
Provision for Gratuity	<u>47,543</u>	<u>-</u>
	<u>66,590</u>	<u>62,282</u>

Particulars	In Rupees	
	As at 31st March 2015	As at 31st March 2014
Note 6		
Short Term Borrowings		
Unsecured Loans & Advances from related parties		
From Parent Company		
Inter Corporate Deposit	276,433,000	168,700,000
Others Advances	<u>-</u>	<u>111,473,766</u>
	<u>276,433,000</u>	<u>280,173,766</u>

6.1 Inter Corporate Deposit received from parent company i.e Mahindra Holidays & resorts India Limited is repayable on demand. The Interest on the said loan is @9.50% p.a.

Particulars	In Rupees	
	As at 31st March 2015	As at 31st March 2014
Note 7		
Trade Payables		
- Others	5,424,051	2,658,464
	<u>5,424,051</u>	<u>2,658,464</u>

7.1 The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as micro, small or medium enterprises. Consequently the amount paid / payable to these parties during the year is nil.

7.2 Balance of Trade Payables are subject to confirmation. In the opinion of directors they represent exact amount and are considered good and fully payable in due course.

Luxury tax payable	5,357	162,361
Work Contract Tax payable	-	963,151
Payables for Expenses	17,284,047	795,402
Retention Payable	188,667	2,128,399
PF Payable	90,699	54,581
Security Deposit from MHRIL	20,000,000	20,000,000
	65,925,706	36,949,272

Particulars	In Rupees	
	As at 31st March 2015	As at 31st March 2014
Note 8		
Other Current Liabilities		
TDS Payable	1,121,159	570,997
Interest Accrued on ICD	26,567,550	11,749,151
Service tax Payable	294,213	23,526
VAT Payable	44,921	69,673
Service Charge Payable	329,093	432,031

Particulars	In Rupees	
	As at 31st March 2015	As at 31st March 2014
Note 9		
Short Term Provisions		
Provision for Compensated absences	1,009	3,841
Provisions for Outstanding Liability	582,201	-
	583,210	3,841

Note 10

FIXED ASSETS
In Rupees

Item	GROSS BLOCK				DEPRECIATION						NET BLOCK		
	Gross Block	Adjustment	Addition	Sales	Total	Opening Balance	Depreciation Adjustment as per useful life	Depr. for the year	Adjustment	Transfer To Reserve	Total Dep.	Net Block 31.03.2015	Net Block 31.03.2014
TANGIBLE ASSETS													
Freehold Land	77,268,220	-	500,000	-	77,768,220	-	-	-	-	-	-	77,768,220	77,268,220
Building	119,358,406	-	-	-	119,358,406	4,440,474	-	1,990,983	-	-	6,431,457	112,926,949	114,917,932
Furniture & Fixtures	39,419,434	3,698,268	-	-	43,117,702	4,799,511	188,582	6,570,822	-	-	11,558,915	31,558,787	34,619,923
Plant and machinery	19,123,165	(10,101,583)	115,450	-	9,137,032	1,726,118	(1,129,758)	621,943	-	-	1,218,303	7,918,729	17,397,047
Electrical & Electronic Equip.	14,400,884	13,981,622	287,780	465,000	28,205,286	688,423	2,466,325	3,349,366	95,000	8,878	6,417,992	21,787,294	13,712,461
Computers & Printers	1,333,642	(685,317)	-	-	648,325	291,319	(154,003)	250,591	-	96,772	484,678	163,647	1,042,323
Sports Equipment	339,768	(339,768)	-	-	-	17,339	(17,339)	-	-	-	-	-	322,429
Vehicles	1,657,527	-	-	-	1,657,527	212,685	-	217,202	-	-	429,887	1,227,640	1,444,842
Misc. fixed assets	7,359,191	(7,359,191)	-	-	-	1,531,689	(1,531,689)	-	-	-	-	-	5,827,502
Office Equipment	-	805,969	-	-	805,969	-	177,883	171,654	-	3,076	352,613	453,356	-
	280,260,237	-	903,230	465,000	280,698,467	13,707,558	-	13,172,562	95,000	108,726	26,893,845	253,804,622	266,552,679
Previous year's figures	149,064,157		131,196,080		280,260,237	29,121,377	(20,795,575)	5,381,756			13,707,558	266,552,679	119,942,780

10.1 Pursuant to the enactment of the Companies Act 2013(the 'Act'), the company has provided depreciation in accordance with Schedule II to the Act. As a result of change of method of depreciation, the depreciation during the year has been higher by Rs. 53.45 Lakhs. Further, an amount of Rs.1.09 Lakhs has been debited to opening reserve being life of those assets is either Nil or Negative.

	In Rupees			In Rupees
As at	As at		Year ended	Year ended
31st March	31st March		31st March	31st March
2015	2014		2015	2014
Particulars		Particulars		
Note 11		Note 16		
Long-term Loans and Advances		Revenue from operations		
Security Deposit Telephone	4,500	Food & Beverages Income	16,212,262	8,962,323
Security Deposits Electricity	250,000	Room Income	15,144,493	9,217,227
LPG Gas Security	42,500	Other Services	753,344	413,390
Soft Drinks Carrat Security	4,880			
Security Deposit for staff accommodation	20,000			
	321,880		32,110,099	18,592,940
	346,880			
				In Rupees
	In Rupees		Year ended	Year ended
	As at		31st March	31st March
	31st March		2015	2014
	2015			
Particulars		Particulars		
Note 12		Note 17		
Inventories		Other Income		
(as taken, valued and certified by management)		Misclenious Income	2,613,281	601,675
Consumable(Food & Beverages)	1,032,982		2,613,281	601,675
	1,032,982			
	550,448			
	550,448			
				In Rupees
	In Rupees		Year ended	Year ended
	As at		31st March	31st March
	31st March		2015	2014
	2015			
Particulars		Particulars		
Note 13		Note 18		
Trade Receivables		Cost of materials consumed		
Unsecured and Considered Good		Opening Stock of Consumables	550,448	306,799
Outstanding for a period exceeding six months from the date they are due for payment	1,886,963	Add : Purchase of Consumable Groceries	8,282,563	5,224,220
Less then six months	485,478		8,833,011	5,531,019
	2,372,441	Less: Closing Stock of Consumables	1,032,982	550,448
	2,662,799		7,800,029	4,980,571
				In Rupees
			Year ended	Year ended
			31st March	31st March
			2015	2014
Particulars		Particulars		
Note 13.1		Note 19		
Balance of Trade Receivables are subject to confirmation. In the opinion of directors they represent exact amount and are considered good and fully realizable in due course.		Operating and Direct Expenses		
		Cooking Gas and Charcoal	936,188	825,207
		Electrical & Water Expenses	4,450,649	2,604,641
		Repairs and Maintenance	1,911,967	952,620
		Power and Fuel	4,115,196	1,357,960
		House Keeping expenses	1,850,732	457,557
		Freight & Cartage Exp.	162,432	145,371
			13,427,164	6,343,356
				In Rupees
			Year ended	Year ended
			31st March	31st March
			2015	2014
Particulars		Particulars		
Note 14		Note 20		
Cash and Bank Balances		Employees Benefits Expenses		
Cash on Hand	246,029	Salary to Staff	5,908,960	8,271,288
Balances with scheduled banks:		Staff Welfare Exp.	3,786,995	1,895,051
in Current Accounts	296,456	Contributions to provident and other funds	382,317	115,932
	542,485		10,078,272	10,282,271
	8,879,280			
				In Rupees
	In Rupees		Year ended	Year ended
	As at		31st March	31st March
	31st March		2015	2014
	2015			
Particulars		Particulars		
Note 15		Note 20		
Other Current Assets		Employees Benefits Expenses		
Advance To Staff	12,000	Salary to Staff	5,908,960	8,271,288
TDS Receivable	2,230,024	Staff Welfare Exp.	3,786,995	1,895,051
Advance to Suppliers & others	291,358	Contributions to provident and other funds	382,317	115,932
	2,533,382		10,078,272	10,282,271
	1,557,573			

20.1 None of the employee of the Company either employed for whole or part of the year was in receipt or entitled to receive emoluments in amounting exceeding the statutory limit.

Particulars	In Rupees	
	Year ended 31st March 2015	Year ended 31st March 2014
Note 21		
Finance costs		
Interest on Unsecured Loan (ICD)	16,464,889	9,095,846
Bank Commission & Charges	188,401	77,863
	<u>16,653,289</u>	<u>9,173,709</u>

Particulars	In Rupees	
	Year ended 31st March 2015	Year ended 31st March 2014
Note 22		
Administration & Other Expenses		
Pre-opening Expenses	-	5,115,471
Laundry Exp.	709,423	321,541
Printing & Stationery	504,455	232,718
Postage & Courier	24,099	37,571
Travelling & Conveyance	713,481	604,307
Interest on Taxes	153,242	62,935
Telephone & Internet	356,575	307,227
Entertainment Expenses	601,765	640,014
Holiday Activity Expenses	786,471	299,198
Event Expenses	503,693	298,500
Vehicle Exp	274,769	195,903
Pest Control	971,028	169,803
Contract Services Expenses	9,732,994	2,313,123
Insurance Expenses	40,178	113,195
Auditors Fees	252,810	252,810
Legal, Consultancy & Filing Fees	802,927	241,355
Licences Fees	145,109	132,736
Annual Subscription Fees	155,937	51,979
Repair & Maintenance		
- Repair and Maintenance-Building	1,340,645	1,472,214
- Repairs and Maintenance-others	54,927	5,387
- Repair and Maintenance-Plant & Machinery	765,287	689,933
- Repairs and Maintenance-Furniture	79,870	328,930
Loss on Sale of Fixed Assets	124,386	-
Other Miscellaneous Expenses	2,403,496	556,204
	<u>21,497,567</u>	<u>14,443,055</u>

Particulars	Unit	31st March, 2015	31st March, 2014
Note 23: Earning per Share			
1. Profit/(Loss) after tax amount used as the numerator	Rs.	(47,905,503)	(10,614,528)
2. Weighted average number of equity shares used as the denominator	No.	700,000	700,000
3. Nominal value of shares	Rs.	10	10
Loss per share (Basic & Diluted)	Rs.	(68)	(15.16)

Other Notes:

Particulars	31st March, 2015	31st March, 2014
Note 24: Payment made to Auditors		
Payment to Auditors		
- As Auditor	140,450	140,450
- for Taxation matters	56,180	56,180
- for Other services	56,180	56,180
Total	<u>252,810</u>	<u>252,810</u>

Note 25: Employee Benefits:

A. Define Contribution Plans -
Contribution to defined Contribution plans, recognized in the statement of profit and loss for the year, under employee benefits expenses in Note no. 20

Particulars	31st March, 2015	31st March, 2014
Employers Contribution to Provident Fund	364,637	49,809
	<u>364,637</u>	<u>49,809</u>

B. Other long-term benefit plans - Compensated absences -

Compensated absences charged in the statement of profit and loss for the year, under employee benefits expense in Note no. 20, is Rs. (46067/-) (Previous Year ; Rs 66123/-)

C. Defined Benefits Plan - Gratuity Scheme

The Company offers its employees benefits under a defined-benefit plan in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plan are typically based either on years of service and the employee's compensation (immediately before retirement). The gratuity scheme covers substantially all regular employees. Commitments are actuarially determined at year-end. Actuarial valuation is based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss.

The net value of the defined-benefit commitment is detailed below:

Particulars	As At March 2015	As At March 2014
Present Value of Commitment	47,543	-
Fair Value of Plan Assets	-	-
Net Liability Recognised in the Balance Sheet	47,543	-

Note 26: Foreign Exchange Transactions -

Foreign Exchange Earning	NIL
Foreign Exchange Outgo	NIL

Note 27: Contingent Liability

The Income Tax Department has raised a demand for Rs. 25.79 lacs (Including Interest) for the Assessment Year 2009-10. The company however has preferred an appeal against the said demand and the case is pending before Commissioner of Income Tax Appeal.

Note 28

Related Party Disclosure

A. Related Parties with whom transactions have taken place during the year .

Name of the party	Relationship
Mahindra Holidays & Resorts India limited	Holding Company on and from 09.08.2012

CURRENT YEAR

Nature of Transaction	Parent company	Key Management Personnel	Relatives of Key Management Personnel
I. Transactions during the period			
Inter Corporate Deposit taken	107,733,000	-	-
Room Rent Received	13,179,480	-	-
Interest Expense	16,464,889	-	-
Contract Service for Man Power Personnel	6,162,869	-	-
II. Amount outstanding as at balance sheet date			
Inter Corporate Deposit taken	276,433,000	-	-
Interest Payable on ICD	26,567,550	-	-
Security Deposit Payable	20,000,000	-	-
Payable for Exp.	17,233,647	-	-

PREVIOUS YEAR

Nature of Transaction	Parent company	Key Management Personnel	Relatives of Key Management Personnel
I. Transactions during the period			
Inter Corporate Deposit taken	103,700,000	-	-
Other Advances	47,413,417	-	-
Security Deposit Received	20,000,000	-	-
Room Rent Received	9,136,600	-	-
Interest Expense	9,095,846	-	-
Deputed Personnel Expense	-	-	224,533
II. Amount outstanding as at balance sheet date			
Inter Corporate Deposit taken	168,700,000	-	-
Interest Payable on ICD	11,749,151	-	-
Other Advances	111,473,766	-	-
Security deposit	20,000,000	-	-
Trade Receivable	-	-	224,533

Note 29

The Company's primary (business) segment is singular viz "Hoteliering". There is no geographical segment to be reported since its property is located in and the operations are undertaken in India. Therefore segment information required as per Accounting Standard (AS 17) on "Segment Reporting" is not furnished.

Note 30

The accumulated losses of the Company amounting to Rs. 1056.19 Lacs as at 31.03.2015- exceed its paid up capital of Rs. 70,00,000/-. The Company incurred a net loss of Rs. 479.06 Lacs during the year ending on 31.03.2015 and, as of that date; its current liabilities exceed its total assets by Rs. 781.88 Lacs. However, the financial statements have been prepared on the assumption that the Company is a going concern having regard to the financial support extended by the holding company, Mahindra Holidays & Resorts India Ltd during the year (which includes loans aggregating Rs. 2764.33 Lacs outstanding as at 31.03.2015) as well as their commitment of future financial support to enable the Company to meet its financial obligations and continue as a going concern.

Note 31

Estimated amounts of contracts remaining to be executed on capital account is Rs. Nil (Previous year Nil)

Note 32

Figures of the previous year have regrouped/restated to make them comparable, wherever necessary

In terms of our report attached

For S. C. BAPNA & ASSOCIATES Chartered Accountants

ON BEHALF OF THE BOARD OF DIRECTORS

(Vikesh Jain)
Partner
M.No. 406182

Ajay Agarwal
(Director)

Ravindera Nath Khanna
(Director)

Place : Jaipur
Date : 09.04.2015

DIRECTORS' REPORT

To,

The Shareholders,

Your Directors have pleasure in presenting their Fourth Annual Report of the Company along with the accounts for the Financial Year ended 31st March, 2015.

PERFORMANCE OF THE COMPANY

Your Company is developing a resort property at Naldhera, Shimla, and the construction of the same is progressing satisfactorily. Your Company is yet to commence its operations.

The Financial Highlights of your Company is given below:

FINANCIAL RESULTS:	(Rupees in Lakhs)	
	2015	2014
Income:		
Revenue from operations	-	-
Other Income	-	-
Total Income	-	-
Total Expenditure	2.68	2.44
Profit / (Loss) before Tax	(2.68)	(2.44)
Provision for Income Tax	-	-
Net Profit / (Loss) after Tax	(2.68)	(2.44)
Balance brought forward	(3.04)	(0.60)
Balance carried to Balance Sheet	(5.72)	(3.04)

DIVIDEND AND RESERVES

In view of the losses, your Directors do not recommend any dividend for the year under review and also do not propose to transfer any amount to reserves.

HOLDING COMPANY

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

AUDITORS' REPORT

There is no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at 31st March, 2015. Information referred in Auditor's Report are self-explanatory and do not call for any further comments.

EXTRACT OF THE ANNUAL RETURN

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

BOARD OF DIRECTORS

Your Company, has Five (5) Directors consisting of two (2) Independent Directors (IDs) and three (3) Non Executive Directors as on 31st March, 2015.

DIRECTORS RETIREMENT BY ROTATION

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

APPOINTMENT OF DIRECTORS

During the year under review, the Board at their meeting held on 3rd June, 2014 appointed Mr. Ajay Agrawal as additional director and subsequently at the last Annual General Meeting, the shareholders approved the appointment of Mr. Agrawal as Director, liable to retire by rotation.

During the year under review, your Company had received notices under Section 160 of the Act in writing from a member proposing the candidates Mr. Kanwaljit Singh Thanewal and Mr. Manish Vora as Directors of the Company. Accordingly, the Nomination and Remuneration Committee at their Meeting

held on 25th March, 2015 recommended the appointment of the above candidates as Directors of the Company for the approval of the Board/Shareholders. Further, at the Extraordinary General Meeting (EGM) of the shareholders held on 25th March, 2015, Mr. Thanewal and Mr. Vora were appointed as Independent Directors for a period of three (3) years effective from the date of the said EGM.

Subsequent to the appointment of Independent Directors, your Company is in compliance with the provisions of the Act.

Since the Independent Directors were appointed on 25th March, 2015, it was mutually decided by the Independent Directors to hold the Independent Directors Meeting required under section 149(8) read with Schedule IV on a later date.

The Company has received declarations from the Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Act.

KEY MANAGERIAL PERSONNEL

During the year, Ms. Anju Sharma, Company Secretary of the Company, resigned from the services w.e.f. 1st February, 2015. Ms. Niveta Sharma, was appointed as Company Secretary w.e.f. 2nd February, 2015.

Ms. Preetha Thanikachalam, was appointed as the Chief Financial Officer of the Company w.e.f. 1st March, 2015.

Mr. Dineshwar Dutt Sharma, Manager, was KMP as per the provision of the Act and was already in office before the commencement of the Act.

In view of the above the Company is in compliance with regard to the provisions of the Act.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, the Board met six (6) times from 1st April, 2014 to 31st March, 2015. The Board of Directors had met once a quarter with a gap not exceeding 120 (one hundred and twenty) days between two Board Meetings.

AUDIT COMMITTEE

The Audit Committee composition meets with the requirements of Section 177 of the Act. As on March 31, 2015, the Committee comprised of 3 Directors: Mr. Ajay Agrawal (w.e.f. 3rd June, 2014), Mr. Kanwaljit Singh Thanewal (w.e.f. 25th March, 2015) and Mr. Manish Vora (w.e.f. 25th March, 2015). Mr. Dinesh Shetty and Mr. Ravindera Nath Khanna were member of the Committee till 25th March, 2015. Mr. Thanewal and Mr. Vora are Independent Directors. All members of the Committee possess financial/accounting expertise/exposure.

The terms of reference of the Committee are in accordance with the requirements of Section 177 of the Act.

NOMINATION AND REMUNERATION COMMITTEE (NRC)

During the year, the Board of Directors at their meeting held on 27th September, 2014 constituted NRC. NRC composition meets with the requirements of Section 178 of the Act. As on 31st March, 2015, the Committee comprised of 4 Directors:

Mr. Dinesh Shetty, Mr. Ajay Agrawal, Mr. Kanwaljit Singh Thanewal (w.e.f. 25th March, 2015) and Mr. Manish Vora (w.e.f. 25th March, 2015). Mr. Ravindera Nath Khanna was member of the Committee till 25th March, 2015. Mr. Thanewal and Mr. Vora are Independent Directors.

REMUNERATION POLICY

In compliance with Section 178 (3) the Nomination and Remuneration Committee has formulated a policy relating to the remuneration for the directors, key managerial personnel and other employees.

The Policy provides that all employees, irrespective of contract, are to be remunerated fairly and the remuneration is to be externally competitive and internally equitable, which remuneration will be paid in accordance with the laid down Statutes. Further, remuneration for on-roll employees will include a fixed or guaranteed component payable monthly; and a variable component for eligible employees, which is based on performance and paid annually, and it shall be consistent with the competitive position of the salary for similar positions in the industry after considering the Qualifications, Experience, Roles and Responsibilities.

Remuneration to the Directors and KMPs are subject to the approval of the Nomination & Remuneration Committee/Board.

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

During the year 2014-15, your Company did not grant any loans or give any guarantees or made investments as per the provisions of Section 186 of the Act.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the year under review, your Company did not enter into any contract or arrangement in the nature of a Related Party Transaction (RPT) under sub-section (1) of section 188 of the Act which was not at arms length and not in Ordinary course of business.

During the year your Company availed Inter Corporate Loans from Mahindra Holidays & Resorts India Limited (MHRIL), holding company, amounting to Rs. 1,042 Lakhs. As on 31st March, 2015, the aggregate ICD availed by your company from MHRIL was Rs. 2,118 Lakhs.

Details of other Related Party transactions which are on arms length and in the regular course of business are given in the notes to the accounts.

STATUTORY AUDITORS

Messrs Vinod Kumar Arora & Associates, Chartered Accountants, Haryana (ICAI Registration Number 012099N), retire as Auditors of the Company at the ensuing Annual General Meeting (AGM) and have given their consent for reappointment. The shareholders are requested to appoint Auditors for a period of two (2) years, being transition period, from the conclusion of the forthcoming AGM till the conclusion

of the AGM in 2017, subject to yearly ratification by the shareholders.

As required under the provisions of Section 139 of the Act, your Company has obtained a written certificate from the above Auditors to the effect that their reappointment, if made, will conform within the limits specified in the said Section. Further, your Company has also received a certificate from the Auditors to the effect that the Auditors proposed to be re-appointed satisfies with the criteria provided under Section 141 of the Act.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

During the year, there were no material changes and commitments, affecting the financial position of your Company which has occurred between the end of the financial year of the company i.e. 31st March, 2015, and the date of the Directors report.

INTERNAL FINANCIAL CONTROLS

Your Company has adequate internal financial controls with reference to financial statements.

DEPOSITS AND LOANS/ADVANCES

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

Your Company has not made any loans/advances of the nature, which are otherwise required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreements of the parent companies Mahindra Holidays & Resorts India Limited and Mahindra & Mahindra Limited with the Stock Exchanges.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

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

The Company did not carry out any operations during the year and hence disclosure required under Section 134(3)(m) read

with Rule 8(3) of the Companies (Accounts) Rules, 2014 is not applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts for the year ended 31st March, 2015, the applicable accounting standards have been followed and there is no material departure;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of 31st March, 2015 and of the loss of the Company for the year ended on that date;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis; and
- (e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Ravindera Nath Khanna
Director

Ajay Agrawal
Director

Place : Chennai
Date : 10th April, 2015

ANNEXURE I TO THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2015

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2015

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of Main Products/Services	NIC Code of the Product/Service	% to total turnover of the Company
1	Not Applicable	-	NA

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2014				No. of Shares held at the end of the year 31-03-2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
g) Individual	-	-	-	-	-	-	-	-	-
h) Central Govt.	-	-	-	-	-	-	-	-	-
i) State Govt(s)	-	-	-	-	-	-	-	-	-
j) Bodies Corp.	-	13,200,000	13,200,000	100.00	-	13,200,000	13,200,000	100.00	NIL
k) Banks/Fl	-	-	-	-	-	-	-	-	-
l) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):	-	13,200,000	13,200,000	100.00	-	13,200,000	13,200,000	100.00	NIL

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2014				No. of Shares held at the end of the year 31-03-2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	-	13,200,000	13,200,000	100.00	-	13,200,000	13,200,000	100.00	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A + B + C)	-	13,200,000	13,200,000	100.00	-	13,200,000	13,200,000	100.00	NIL

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01-04-2014			Shareholding at the end of the year 31-03-2015			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Mahindra Holidays & Resorts India Limited	13,200,000	100%	Nil	13,200,000	100%	Nil	Nil
	Total	13,200,000	100%	Nil	13,200,000	100%	Nil	Nil

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

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

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

V. INDEBTEDNESS

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

				(Rs. in lakh)
	Secured Loans excluding deposits	Unsecured Loans (ICD)	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	1,076.06	–	1,076.06
ii) Interest due but not paid	–		–	
iii) Interest accrued but not due	–	6.55	–	6.55
Total (i+ii+iii)	–	1,082.61	–	1,082.61
Change in Indebtedness during the financial year	–		–	
+ Addition		1,162.84		1,162.84
– Reduction				
Net change	–	1,162.84	–	1,162.84
Indebtedness at the end of the financial year	–	–	–	–
i) Principal Amount	–	2,117.86	–	2,117.86
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	127.60	–	127.60
Total (i+ii+iii)	–	2,245.46	–	2,245.46

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	
		Dineshwar Dutt Sharma	
		Total Amount	
1.	Gross salary		
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	–	Nil
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–
	c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	–	–
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission	–	–
	– as % of profit	–	–
	– others, specify	–	–
5.	Others, please specify	–	Nil
	Total (A)	–	NA
	Ceiling as per the Act		

B. Remuneration of other directors:

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Dinesh Shetty	Ravindra Nath Khanna	Ajay Agrawal#	Manish Vora*	Kanwaljit Singh Thanewal*	
3.	Independent Directors						
	Fee for attending board/committee meetings	–	–	–	–	–	–
	Commission	–	–	–	–	–	–
	Others, please specify	–	–	–	–	–	–
	Total (1)	–	–	–	–	–	–
4.	Other Non-Executive Directors						
	Fee for attending board/committee meetings	–	–	–	–	–	–
	Commission	–	–	–	–	–	–
	Others, please specify	–	–	–	–	–	–
	Total (2)	–	–	–	–	–	–
	Total (B)=(1+2)	–	–	–	–	–	–
	Total Managerial Remuneration	–	–	–	–	–	–
	Overall Ceiling as per the Act						

appointed w.e.f. 3rd June, 2014* appointed w.e.f. 25th March, 2015.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary*	CFO#	Total
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,56,000	15,216	1,71,216
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	–	–	–
2.	Stock Option	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission			
	– as % of Profit	–	–	–
	– others, specify	–	–	–
5.	Others, please specify	–	–	–
	Total	1,56,000	15,216	1,71,216

* Ms. Anju Sharma resigned as the company secretary of the Company w.e.f 1st February, 2015 and Ms. Niveta Sharma joined as the company secretary of the Company w.e.f. 2nd February, 2015.

Ms. Preetha Thanikachalam joined as the Chief Financial Officer w.e.f 1st March, 2015.

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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF Gables Promoters Private Limited

We have audited the accompanying Financial Statements of **Gables Promoters Private Limited which comprise of Balance Sheet** as at March 31, 2015 and the Statement of Profit and Loss, Cash flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the preparation of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due

to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:- 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) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2015 from being appointed as director in terms Section 164(2) of the Act.

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company does not have any pending litigations which would impact its financial position.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

(Vinod Kumar Arora)
Prop.
M.No. 091264

Place: Panchkula

Date: 10/04/2015

ANNEXURE TO THE AUDITORS' REPORT

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

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

- (i) (a) Not Applicable, As company has no fixed assets during the Year Except Land and Work on progress thereon.
- (b) Not Applicable, as there is not other fixed assets purchased by the company except land.
- (c) During the year the company has not sold/disclosed off substantial part of fixed assets.
- (ii) (a) Not Applicable, as there is no inventory as company has not started its operations.
- (b) Not Applicable
- (c) Not Applicable
- (iii) (a) The Company has not granted any loans secured or unsecured to companies, firms and/or other parties listed/covered in the register maintained under section 189 of the Companies Act'.
- (b to c) Not Applicable
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase fixed assets. However the company sofar has not started its operations.
- (v) In our opinion and according to the information and explanation given to us, The Company has not accepted any deposits during the year and has not contravened the provisions of section 73 to 76 and any other provision of the companies act and rules framed there under. However the company has taken inter corporate deposit from its holding company Mahindra Holidays and Resorts India Limited for the purpose of construction of Hotels. The total and maximum amount involved/outstanding as at the year ended 31/03/2015 was Rs. 211,786,000/- (Previous Year – Rs. 107,606,008/-) beside interest amounting to Rs. 12,759,690/-. In our Opinion,the rate of interest and other terms and condition on which these loans were taken are not prima facie prejudicial to the interest.
- (vi) The maintenance of cost records have not been applicable so far as prescribed by the Central Government under section 148(1) of the Companies Act, 1956.
- (vii) (a) The company is regular in depositing the statutory dues in respect of TDS & WCT. There is no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than Six Month from the date they became payable.
- (b) According to the information and explanations given to us, no dues in case of sales tax/income tax/custom tax/wealth tax/excise duty/cess/have been outstanding on account of dispute with the concerned department.
- (c) Not applicable, as outstanding dues are not standing on account of dispute with the concerned department, hence no amount is transferred to investor education and protection fund as per the provisions of the Company Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The company has accumulated losses at the end of the financial year 2014-2015 is Rs. 571,822/- and it has incurred Rs. 267,970/- as cash losses in the current financial year. (Previous Financial yrs. it was Rs. 244,263/-).
- (ix) Not applicable, as the company has neither taken any loans from financial institutions/banks nor issue debenture to any.
- (x) In our opinion, and according to the information and explanations given to us and the records examined by us, the company has not given any guarantees for loan taken by others from banks or financial institutions.
- (xi) The company has not taken any loan from Financial institutions or Banks. However the company has taken **inter corporate deposit** from its holding company **Mahindra Holidays and Resorts India Limited** for the purpose of construction of Hotels. The Company has applied the same for the purpose of construction. The total and maximum amount involved/outstanding as at the year ended 31/03/2015 was Rs. 211,786,000/- (Previous Year - Rs. 107,606,008/-). In our Opinion,the rate of interest and other terms and condition on which these loans were taken are not prima facie prejudicial to the interest. Interest amounting to Rs. 12,759,690/- was payable (Mahindra Holidays and Resorts India Limited) as on 31/03/2015.
- (xii) Based upon the audit procedures performed and the information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For VINOD KUMAR ARORA & ASSOCIATES

*Chartered Accountants
Firm Regn. No. 012099N*

(VINOD KUMAR ARORA)

Proprietor

Membership Number : 91264

Place : Panchkula
Dated : 10/04/2015

BALANCE SHEET AS AT MARCH 31, 2015

Particulars	Note No.	(In Rs.)	
		As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	132,000,000	132,000,000
(b) Reserves and surplus	3	(571,822)	(303,852)
		<u>131,428,178</u>	<u>131,696,148</u>
Non Current liabilities			
(a) Payable on Purchase of Fixed Assets	4	7,297,905	3,683,646
Current liabilities			
(a) Short-term borrowings	5	211,786,000	107,606,008
(b) Other current liabilities	6	17,008,432	2,222,910
		<u>228,794,432</u>	<u>109,828,918</u>
TOTAL		<u><u>367,520,515</u></u>	<u><u>245,208,712</u></u>
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	128,400,010	128,400,010
(ii) Capital work-in-progress	8	224,293,324	93,119,593
		<u>352,693,334</u>	<u>221,519,603</u>
(b) Other non-current assets	9	9,433,604	797,303
		<u>362,126,938</u>	<u>222,316,906</u>
Current assets			
(a) Cash and cash equivalents	10	5,269,977	22,683,206
(b) Short term loans and advances	11	123,600	208,600
		<u>5,393,577</u>	<u>22,891,806</u>
TOTAL		<u><u>367,520,515</u></u>	<u><u>245,208,712</u></u>
Significant Accounting Policies	1		
Notes forming part of the financial statements	2-11	-	-

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

Firm Registration No. 012099N

Chartered Accountants

Vinod Kumar Arora

Proprietor

Membership Number : 091264

Place : Panchkula

Date : 10/04/2015

For and on behalf of the Board of Directors

Ravindera Nath Khanna
Director**Ajay Agarwal**
Director**T. Preetha**
CFO**Niveta Sharma**
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	Note No.	(In Rs.)	
		Year ended March 31, 2015	Year ended March 31, 2014
1 Revenue from operations.....		-	-
Total revenue		-	-
2 Expenses			
(a) Employee Benefit Exps.....	12	173,097	169,000
(b) Other expenses.....	13	94,873	75,263
Total expenses		267,970	244,263
3 Profit/(Loss) before tax (1 ± 2)		(267,970)	(244,263)
4 Tax expense:			
Current tax expense for current year		-	-
		-	-
5 Profit/(Loss) for the year		(267,970)	(244,263)
Notes forming part of the financial statements.....	12, 13		

In terms of our report attached.

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

Vinod Kumar Arora
 Proprietor
 Membership Number : 091264
 Place : Panchkula
 Date : 10/04/2015

For and on behalf of the Board of Directors

Ravindera Nath Khanna
 Director

Ajay Agarwal
 Director

T. Preetha
 CFO

Niveta Sharma
 Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

PARTICULARS	(In Rs.)	
	Year ended March 31, 2015	Year ended March 31, 2014
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	(267,970)	(244,263)
Operating profit before working capital changes.....	(267,970)	(244,263)
Changes in :		
Trade and other receivables	-	-
Preliminary Exps.....	-	-
Trade and other payables	-	-
	<u>-</u>	<u>-</u>
NET CASH FROM OPERATING ACTIVITIES	<u>(267,970)</u>	<u>(244,263)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets including capital work in progress and expenditure pending allocation	(133,429,452)	(85,339,279)
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	<u>(133,429,452)</u>	<u>(85,339,279)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/(Decrease) in unsecured Loan- from Related parties.....	116,284,193	108,261,497
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	<u>116,284,193</u>	<u>108,261,497</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(17,413,229)</u>	<u>22,677,955</u>
CASH AND CASH EQUIVALENTS:		
Opening balance.....	22,683,206	5,251
Closing balance	5,269,977	22,683,206
	<u>(17,413,229)</u>	<u>22,677,955</u>
	-	-
Reconciliation between Cash and Cash equivalents with the Balance Sheet (31-03-2015)		
Cash and cash equivalents as per Balance Sheet	22,683,206	5,251
Less: Bank balances not considered as Cash and cash equivalents	-	-
Net Cash and cash equivalents.....	22,683,206	5,251
Add: Current investments considered as part of Cash and cash equivalents (Investment in units of Mutual Funds)	-	-
Cash and cash equivalents at the end of the period	<u>22,683,206</u>	<u>5,251</u>

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Vinod Kumar Arora & Associates

Firm Registration No. 012099N

Chartered Accountants

Vinod Kumar Arora

Proprietor

Membership Number : 091264

Place : Panchkula

Date : 10/04/2015

For and on behalf of the Board of Directors

Ravindera Nath Khanna
Director

Ajay Agarwal
Director

T. Preetha
CFO

Niveta Sharma
Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

1. Significant Accounting Policies

a) Basis for preparation of financial statements:

The financial statements of the Company are prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Fixed Assets

Fixed assets are carried at cost less accumulated depreciation/amortisation and accumulated impairment losses, if any. Cost comprises of purchase price and other directly attributable costs of bringing the asset to its working condition for its intended use and includes interest on moneys borrowed for construction/acquisition of fixed assets up to the period the assets are ready for use. Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

c) Revenue Recognition:

The company had not commenced commercial operations during the year ended March 31, 2015.

d) Inventories:

The company did not have inventories during the year ended March 31, 2015.

e) Retirement Benefits:

The company has one employee on rolls during the year ended March 31, 2015.

f) Taxes on Income:

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

g) Earnings per share:

Since the company did not have any commercial operations during the year ended March 31, 2015 the Accounting Standard ('AS') 20 on Earnings Per Share, issued by the Institute of Chartered Accountants of India would not be applicable to the company.

h) Preliminary Expenses:

Preliminary Expenses include all expenses incurred in connection with registration of the company. These will be amortized over a period of five years after commencement of the activities of the company.

	(In Rs.)	
	March 31, 2015	March 31, 2014
2 Share Capital		
Equity Share Capital		
Authorised Capital divided into 13,500,000 Shares of Rs. 10/- each.....	135,000,000	135,000,000
	<u>135,000,000</u>	<u>135,000,000</u>
Issued, Subscribed & Paid up 13,200,000 shares of Rs. 10/- each fully Paid up.....	132,000,000	132,000,000
	<u>132,000,000</u>	<u>132,000,000</u>

(a) Share Capital Reconciliation

	March 31, 2015		March 31, 2014	
	Nos. of Share	(in Rs.)	Nos. of Share	(in Rs.)
Equity share of Rs. 10/- each fully paid				
At the Opening of the Year	13,200,000	132,000,000	13,200,000	132,000,000
Add Fresh Issue	-	-	-	-
Closing Balance.....	<u>13,200,000</u>	<u>132,000,000</u>	<u>13,200,000</u>	<u>132,000,000</u>

Neither Bonus Share allotted nor there is any buy back during the year ended March 31, 2015

(b) Details of Shares held by each share holder holding more than 5% Share

	As at March 31, 2015		As at March 31, 2014	
	Nos. of Share	% age of holding	Nos of Share	% age of holding
Mahindra Holidays & Resorts India Limited.....	13,199,900	100.00%	13,199,900	100.00%
Mahindra Holidays & Resorts India Limited Jointly with Mr. Dinesh Shetty	100	0.00%	100	0.00%
	<u>13,200,000</u>	<u>100.00%</u>	<u>13,200,000</u>	<u>100.00%</u>

(In Rs.)

3 Reserves and Surplus

Surplus in Statement of Profit & Loss

Opening Balance.....	(303,852)	(59,589)
Add:- Profit/(Loss) for the Year.....	(267,970)	(244,263)
Closing Balance.....	<u>(571,822)</u>	<u>(303,852)</u>

(In Rs.)

4 Non Current Liabilities

Retention.....	7,297,905	3,683,646
	<u>7,297,905</u>	<u>3,683,646</u>

5 Short Term Borrowing

Loans repayable on demand

- From Related Persons - Unsecured (Inter Corporate deposit from Mahindra Holidays & Resorts India Ltd., payable on demand @ 9.5% Per annum)	211,786,000	107,606,008
	<u>211,786,000</u>	<u>107,606,008</u>

6 Other Current Liabilities

Statutory Liabilities.....	1,315,070	1,476,854
Payables relating to Project in progress	2,873,672	-
Expenses payable	60,000	90,567
Interest Accrued.....	12,759,690	655,489
	<u>17,008,432</u>	<u>2,222,910</u>

7 Fixed Assets

(In Rs.)

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at April 1, 2014	Additions	As at March 31, 2015	As at April 1, 2014	For the Year	As at March 31, 2015	March 31, 2015	March 31, 2014
LAND	128,400,010	-	128,400,010	-	-	-	128,400,010	128,400,010
TOTAL.....	128,400,010	-	128,400,010	-	-	-	128,400,010	128,400,010
PREVIOUS YEAR.....	128,400,010	-	128,400,010	-	-	-	128,400,010	128,400,010

	(In Rs.)	
	March 31, 2015	March 31, 2014
8 Capital Work In Process		
Opening	93,119,593	2,639,247
Add :-Cost of Construction, Labour	117,724,617	89,752,025
Interest Capitalised	13,449,114	728,321
	224,293,324	93,119,593
9 Other Non Current Assets		
Mobilization Advance	8,636,301	-
Preliminary Exps Not written off	797,303	797,303
	9,433,604	797,303
10 Cash and cash equivalents		
(a) Cash on hand	-	-
(b) Balance with banks		
(i) In Current Account with HDFC	5,136,082	-
(ii) In Current Account with IOB	133,895	22,683,206
	5,269,977	22,683,206
11 Short Term Loans & Advances		
(a) Loan & advance to employees		
Unsecured and considered Good	-	85,000
(b) Loans and advances to Others	-	-
Unsecured Considered Good - more than Six Month	-	-
- C P Kukereja & Associates	123,600	123,600
	123,600	208,600
12 Employee Benefit Exps		
Salaries, Wages and Bonus	173,097	169,000
	173,097	169,000
13 Other Expenses		
Bank Charges	-	436
Professional Charges	32,597	39,827
Rates Fees & Taxes.....	2,276	-
Audit Fees.....	60,000	35,000
	94,873	75,263

14. Capital Commitment:

Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances Rs. 197,613,563/-.

15. Segment Reporting:

The Company did not commence commercial operations during the year ended March 31, 2015. Hence, the disclosure requirement as per AS 17 on Segment Reporting would not be applicable to the company.

16. Foreign Transactions:

There is no earning, expenditure or remittance is made in foreign exchange during the year ended March 31, 2015.

17. Auditors Remuneration:

Audit Fees: Rs. 60,000/-

18. Based on the information available with the company, the balance due to Micro and Small Enterprises as defined under the MSMED Act, 2006 is Rs. NIL as on March 31, 2015.

19. Related party Transactions:

There are transactions with related parties, required to be disclosed as per AS 18 on Related Party Disclosure issued by Institute of Chartered Accountants of India, during the year ended March 31, 2015.

A. Names of related parties and nature of relationship where control exists:

Name of the Related Party	Nature of Relationship
Mahindra Holidays & Resorts India Limited	Holding Company
Key Management Personnel:	
Ms. Niveta Sharma	Companies Secretary from February 2, 2015
Ms. T Preetha	Chief Financial Officer from February 2, 2015

B. Disclosures in respect of transactions with related parties:

Name of the Related Party	Nature of the Transaction	Year ended March 31, 2015 (In Rs.)	Year ended March 31, 2014 (In Rs.)
Mahindra Holidays & Resorts India Limited	Inter corporate deposit received	10,41,79,992	10,76,06,008
	Interest accrued	1,41,77,433	7,28,321
Mahindra Holidays & Resorts India Limited	Manpower Deputation	15,216	-
Key Management Personnel:			
Ms. Niveta Sharma	Managerial Remuneration	26,000	-
Ms. T Preetha		15,216	-

C. Disclosures in respect of Payables with related parties

Name of the Related Party	Payables	Year ended March 31, 2015 (In Rs.)	Year ended March 31, 2014 (in Rs.)
Mahindra Holidays & Resorts India Limited	Inter corporate deposit	21,17,86,000	10,76,06,008
Mahindra Holidays & Resorts India Limited	Interest Accrued	1,27,59,690	6,55,489

As per our report of even date For and on behalf of the Board of Directors

For Vinod Kumar Arora & Associates

Chartered Accountants
Firm Regn. No :012099N

Ravindera Nath Khanna **Ajay Agarwal**
Director Director

Vinod Kumar Arora
Prop
Membership No :091264

T. Preetha **Niveta Sharma**
CFO CS

Place : Panchkula
Date : 10/04/2015

DIRECTORS' REPORT TO THE SHAREHOLDERS

To,

The Shareholders,

Your Directors have pleasure in presenting their Nineteenth Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2015.

Performance of the Company

During the year under review, your Company's resort property at Kandaghat, Shimla, Himachal Pradesh was fully operational. The financial highlights are given below:

FINANCIAL RESULTS:

	(₹ in Lakhs)	
	2015	2014
Income:		
Revenue from operations	738.13	590.19
Other Income	–	0.29
Total Income	738.13	590.48
Total Expenditure	928.89	469.54
Profit / (Loss) before Tax	(190.76)	120.94
Provision for Income Tax	–	–
Net Profit / (Loss) after Tax	(190.76)	120.94
Adjustment on account of transitional provision specified in Schedule II of the Companies Act, 2013	(7.95)	–
Balance brought forward	(505.88)	(626.82)
Balance carried to Balance Sheet	(704.59)	(505.88)

Dividend and Reserves

In view of the losses, your Directors do not recommend any dividend for the year under review and also do not propose to transfer any amount to reserves.

Holding Company

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

Scheme of Amalgamation and Arrangement

During the year under review, the Board approved the Scheme of Amalgamation and Arrangement for merger of the Company with Mahindra Holidays & Resorts India Limited (MHRIL), holding company, and their respective Shareholders and Creditors. The Scheme of Amalgamation and Arrangement ("the Scheme") also involves the merger of Competent Hotels Private Limited and Divine Heritage Hotels Private Limited, both fellow subsidiaries, with MHRIL and their respective Shareholders and Creditors. Accordingly, the Scheme will be effective from the last of the dates on which the certified or authenticated copies of the Orders of the Hon'ble High Courts

of Himachal Pradesh, Delhi, Rajasthan, and Madras are filed with the Registrar of Companies at Chandigarh & Shimla, Delhi, Jaipur, and Chennai respectively.

Your Company is in the process of filing application with the Hon'ble High Court of Himachal Pradesh, Shimla, in respect of the above. The Appointed Date of the Scheme is 1st April, 2015.

Auditors' Report

There are no reservations, qualifications or adverse remarks or disclaimers made by the Statutory Auditors in the Auditor's Report.

Extract of the Annual Return

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

Directors

Retirement by Rotation of Director

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

Appointment of Director

During the year under review, Mr. Ajay Agrawal was appointed as an Additional Director of the Company with effect from 3rd June, 2014 and his appointment as Director was subsequently approved by the shareholders of the Company at the last Annual General Meeting held on 26th September, 2014.

Key Managerial Personnel

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

Number of meetings of the Board of Directors

During the year under review, the Board met five (5) times from 1st April, 2014 to 31st March, 2015. The Board of Directors has met once a quarter with a gap not exceeding 120 (one hundred and twenty) days between two Board Meetings.

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

During the year under review, your Company did not grant any loans or give any guarantees or made any investments under Section 186 of the Act.

Particulars of contracts or arrangements with related parties:

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

During the year, your Company availed Inter Corporate Deposit (ICD) from Mahindra Holidays & Resorts India Limited (MHRIL), holding company, amounting to Rs. 33 Lakh. As on 31st March, 2015, the aggregate outstanding Loans availed by your company from MHRIL was Rs. 2,955 Lakh.

During the year under review, your Company entered into transactions including a transaction which was material in nature with Mahindra Holidays & Resorts India Limited (MHRIL), holding company. Your Directors confirm that these transactions with MHRIL are in ordinary course of business and at arms length. The details of the material transaction are given in Form AOC 2 attached as Annexure II to this report.

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

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

Statutory Auditors

Messrs K.N. Chandla & Co., Chartered Accountants, Shimla (ICAI Registration Number 001326N), were appointed as Statutory Auditors of the Company for a term of five years, from the conclusion of the Annual General Meeting (AGM) held on 25th September, 2014 till the conclusion of sixth AGM

to be held in the year 2019, subject to a yearly ratification of such appointment by shareholders at the AGM.

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

Material Changes and Commitments affecting the financial position of the Company

There are no material changes and commitments, affecting financial position of the Company which has occurred between the end of the financial year of the Company i.e. 31st March, 2015 and the date of the Directors' Report.

Internal Financial Controls

Your Company has in place adequate internal financial controls with reference to financial statements.

Deposits and Loans/Advances

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

Your Company has not made any loans/advances of the nature, which are otherwise required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreements of the parent companies, Mahindra Holidays & Resorts India Limited and Mahindra & Mahindra Limited with the Stock Exchanges.

Significant and Material Orders passed by the Regulators or Courts

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

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

Your Company continuously strives to conserve energy, adopt environment friendly practices and employ technology for more efficient operations.

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

Directors' Responsibility Statement

Pursuant to clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors state that:

- (a) in the preparation of the annual accounts for the year ended 31st March, 2015, the applicable accounting standards have been followed and there is no material departure;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates

that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of 31st March, 2015 and of the loss of the Company for the year ended on that date;

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

Acknowledgements

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

For and on behalf of the Board of Directors

Dinesh Shetty
Director

Ajay Agrawal
Director

Place: Chennai
Date: 24/04/2015

ANNEXURE I TO THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2015

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2015

[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	U55101HP1996PTC017806
ii	Registration Date	6 th March, 1996
iii	Name of the Company	Holiday on Hills Resorts Private Limited
iv	Category/Sub-Category of the Company	
v	Address of the Registered office of the Company	Vill Sicharateh Kandaghat, Distt Solan, Himachal Pradesh – 173215; Ph. No. - 01792-257062 Fax No. - 01792 – 256706 E-mail - arun.khandelwal@mahindraholidays.com
vi	Whether listed company	No
vii	Name, Address, Contact details of Registrar and Transfer Agent	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of Main Products/Services	NIC Code of the Product/Service	% to total turnover of the Company
1	Income from Room Rental	55101	42
2	Income from sale of Food and Beverages	55101	49

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

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

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

Category of Shareholders	No. of Shares held at the beginning of the year (01/04/2014)				No. of Shares held at the end of the year (31/03/2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
g) Individual	–	–	–	–	–	–	–	–	–
h) Central Govt.	–	–	–	–	–	–	–	–	–
i) State Govt(s)	–	–	–	–	–	–	–	–	–
j) Bodies Corp.	–	10,00,000	10,00,000	100.00	–	10,00,000	10,00,000	100.00	–
k) Banks/Fl	–	–	–	–	–	–	–	–	–
l) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A)(1):	–	10,00,000	10,00,000	100.00	–	10,00,000	10,00,000	100.00	–

Category of Shareholders	No. of Shares held at the beginning of the year (01/04/2014)				No. of Shares held at the end of the year (31/03/2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	-	10,00,000	10,00,000	100.00	-	10,00,000	10,00,000	100.00	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	10,00,000	10,00,000	100.00	-	10,00,000	10,00,000	100.00	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2014			Shareholding at the end of the year 31/03/2015			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Mahindra Holidays & Resorts India Limited	10,00,000	100%	Nil	10,00,000	100%	Nil	Nil
	Total	10,00,000	100%	Nil	10,00,000	100%	Nil	Nil

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

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

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

V. INDEBTEDNESS

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

(Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans (ICD)	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (1/4/2014)				
i) Principal Amount	5.33	2,922.71		2,928.04
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	345.92	–	345.92
Total (i+ii+iii)	5.33	3,268.63	–	3,273.97
Change in Indebtedness during the financial year	–	–	–	–
+ Addition	.57	282.72		283.31
– Reduction	5.9	0		5.9
Net change	5.33	282.74	–	277.41
Indebtedness at the end of the financial year (31/3/2015)	–	–	–	–
i) Principal Amount	0	2,955.51	–	2,955.51
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	595.87	–	595.87
Total (i+ii+iii)	5.33	3,551.38	–	3,551.38

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

B. Remuneration of other directors: Nil

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD: Nil

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.

ANNEXURE II TO THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2015**Form No. AOC – 2**

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

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

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

(a) Name(s) of the related party	Nature of relationship	Mahindra Holidays & Resorts India Limited Holding Company
(b) Nature of contracts/arrangements/transactions		Room Inventory Agreement
(c) Duration of the contracts/arrangements/transactions		1 year
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:		Room Inventory to be made available on requisition basis. Period of agreement is one year. Aggregate value paid Rs. 252 lakhs for the FY 2014-15.
(e) Date(s) of approval by the Board, if any:		NA
(f) Amount paid as advances, if any;		Nil

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

For and on behalf of the Board of Directors

Dinesh Shetty
Director

Ajay Agrawal
Director

Place: Chennai
Date: 24/04/2015

ANNEXURE III TO THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2015**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. Timers were connected to Kitchen exhaust and Air wash units
- (ii) The steps taken by the company for utilizing alternate sources of energy: Nil
- (iii) The capital investment on energy conservation equipment:
Sewage treatment Plant capacity is expanded for recycling and saving of water – Rs. 40 lakh

(B) Technology absorption:

- (i) The efforts made towards technology absorption: The Company has not carried out any Technology absorption
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution- Not Applicable
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Not Applicable
 - (a) The details of technology imported;
 - (b) The year of import;
 - (c) Whether the technology been fully absorbed;
 - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development- Not Applicable

(C) Foreign exchange earnings and Outgo:

There were no foreign exchange earnings and outgo during the financial year ended 31st March, 2015. Refer note no. 24 and 25 of the notes forming part of financial statements.

For and on behalf of the Board of Directors

Dinesh Shetty
Director

Ajay Agrawal
Director

Place: Chennai
Date: 24/04/2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HOLIDAY ON HILLS RESORTS PRIVATE LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **HOLIDAY ON HILLS RESORTS PRIVATE LIMITED**, which comprise the Balance Sheet as at March 31, 2015 the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give

true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015.
- b) In the case of the Profit and Loss Account, of the Loss of the company for the year ended on that date.
- c) In the case of the cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a) Note No 30 in the financial statements which indicates that the Company has accumulated losses and its net worth has been fully/substantially eroded, the Company has incurred a net loss/net cash loss during the current year and, the Company's current liabilities exceeded its current assets as at the balance sheet date. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note. Our opinion is not modified in respect of these matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

- c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii) There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

K. N. Chandla & Co.
Chartered Accountants
(Firm Registration No. 001326N)

(CA. Dinesh Kumar Sood)
Partner

SHIMLA : 24th April, 2015

Membership No. 088343

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Holiday On Hills Resorts Private Limited on the accounts for the year ended 31st March, 2015)

- | | |
|---|--|
| <p>(i) Having regard to the nature of the Company's business/ activities/result, clause (v) and (xi) of the Order are not applicable to the Company in the current year.</p> | <p>have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.</p> |
| <p>(ii) In respect of its fixed assets:</p> <p>(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.</p> <p>(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.</p> | <p>(vii) According to the information and explanations given to us in respect of statutory dues:</p> <p>(a) The Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities and there were no outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.</p> <p>(b) There are no dues of Income Tax which have not been deposited as on March 31, 2015 on account of disputes.</p> <p>(c) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year.</p> |
| <p>(iii) In respect of its inventory:</p> <p>(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.</p> <p>(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.</p> | <p>(viii) There are accumulated losses as at the end of the financial year amounting in all to Rs. 7,04,59,547. and the Company has also incurred cash losses during the financial year covered by our audit amounting to Rs. 90,91,736.</p> <p>(ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues in respect of term loans.</p> <p>(x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.</p> <p>(xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.</p> |
| <p>(iv) 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 or other parties covered in the Register maintained under Section 189 of the Companies Act.</p> | |
| <p>(v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and sale of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in such internal control system.</p> | |
| <p>(vi) We have broadly reviewed the cost records maintained by the Company specified by the Central Government under sub-section (1) of Section 48 of the Companies Act, 2013 and are of the opinion that <i>prima facie</i> the prescribed cost records have been maintained. We</p> | |

K. N. Chandla & Co.
Chartered Accountants
(Firm Registration No. 001326N)

(CA. Dinesh Kumar Sood)
Partner

SHIMLA : 24/04/2015

Membership No. 088343

BALANCE SHEET AS AT MARCH 31, 2015

Particulars	Note	In Rs.	
		As At March 31, 2015	As At March 31, 2014
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS:			
Share Capital	2	10,000,000	10,000,000
Reserves and Surplus	3	(67,459,547)	(47,588,144)
		<u>(57,459,547)</u>	<u>(37,588,144)</u>
Non-current liabilities			
Long term Borrowings.....	4	–	203,266
Long term provisions.....	5	370,196	295,276
		<u>370,196</u>	<u>498,542</u>
Current liabilities			
Short term Borrowings	6	295,551,000	292,601,148
Trade payables	7	–	3,536,153
Other current liabilities.....	8	102,710,893	77,999,372
Short term provisions	9	9,616	8,002
		<u>398,271,509</u>	<u>374,144,675</u>
		<u>341,182,158</u>	<u>337,055,073</u>
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets.....	10	304,557,668	312,373,789
Capital work in progress.....		8,309,699	1,292,542
		<u>312,867,367</u>	<u>313,666,331</u>
Long term loans and advances	11	5,947,475	4,213,603
Current assets			
Inventories.....	12	2,211,975	1,847,809
Trade receivables.....	13	431,503	445,718
Cash and cash equivalents.....	14	15,577,755	13,719,075
Short term loans and advances.....	15	4,146,083	3,162,537
		<u>22,367,316</u>	<u>19,175,139</u>
		<u>341,182,158</u>	<u>337,055,073</u>
See accompanying notes forming part of the financial statements		–	–

In terms of our report attached

For and on behalf of the Board of Directors

For **K.N. Chandla & Co.**
Chartered Accountants(CA Dinesh Kumar Sood)
Membership No.: 088343Place: Shimla
Date: 24/04/2015Dinesh Shetty
DirectorPlace: Chennai
Date: 24/04/2015Ajay Agarwal
DirectorPlace: Chennai
Date: 24/04/2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	Note	In Rs.	
		Year ended March 31, 2015	Year ended March 31, 2014
REVENUE:			
Revenue from operations	16	73,812,608	59,019,118
Other Income	17	–	29,320
Total Revenue		73,812,608	59,048,438
EXPENDITURE:			
Employee benefits expense	18	16,226,616	11,052,270
Finance Costs	19	27,828,839	27,277,053
Depreciation and amortisation expense	10	9,908,290	(23,814,198)
Other expenses	20	38,924,891	32,439,621
Total Expenditure		92,888,636	46,954,746
Profit before tax		(19,076,028)	12,093,692
Less: Tax expense			
– Current tax		–	–
– Deferred tax		–	–
Profit for the year		(19,076,028)	12,093,692
Earnings per share:			
Basic		(19.08)	12.09
Diluted		(19.08)	12.09

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For **K.N. Chandla & Co.**
Chartered Accountants(CA Dinesh Kumar Sood)
Membership No.: 088343Place: Shimla
Date: 24/04/2015Dinesh Shetty
DirectorPlace: Chennai
Date: 24/04/2015Ajay Agarwal
DirectorPlace: Chennai
Date: 24/04/2015

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	Year ended March 31, 2015	In Rs. Year ended March 31, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(Loss) before tax.....	(19,076,028)	12,093,692
Adjustments for non-cash and other items		
Depreciation.....	9,908,290	(23,814,198)
Finance costs	27,828,839	27,277,053
Provision for employee benefits	76,002	(242,180)
	<u>37,813,131</u>	<u>3,220,675</u>
Operating profit before working capital changes	18,737,103	15,314,367
Changes in:		
Trade and other receivables	(1,200,491)	(1,839,124)
Inventories	(364,166)	(536,384)
Trade and other payables.....	(6,652,940)	36,347,926
	<u>(8,217,597)</u>	<u>33,972,418</u>
Income taxes paid.....	(1,502,712)	(2,022,854)
Net cash from operating activities [A]	<u>9,016,794</u>	<u>47,263,931</u>
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets including capital work in progress and expenditure pending allocation	(9,904,700)	(41,061,986)
Net cash used in investing activities [B]	<u>(9,904,700)</u>	<u>(41,061,986)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Borrowings taken/(Repaid)	2,746,586	5,899,234
Finance costs paid	-	-
Net cash from financing activities [C]	<u>2,746,586</u>	<u>5,899,234</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>1,858,680</u>	<u>12,101,179</u>
CASH AND CASH EQUIVALENTS:		
Opening balance.....	13,719,075	1,617,896
Closing balance	<u>15,577,755</u>	<u>13,719,075</u>
	<u>1,858,680</u>	<u>12,101,179</u>
Reconciliation between Cash and Cash equivalents with the Balance Sheet		
Cash and cash equivalents as per Balance Sheet.....	15,577,755	13,719,075
Less: Bank balances not considered as Cash and cash equivalents.....	-	-
Net Cash and cash equivalents.....	<u>15,577,755</u>	<u>13,719,075</u>
Add: Current investments considered as part of Cash and cash equivalents (Investment in units of Mutual Funds).....	-	-
Cash and cash equivalents at the end of the period	<u>15,577,755</u>	<u>13,719,075</u>
See accompanying notes forming part of the financial statements		

In terms of our report attached

For and on behalf of the Board of Directors

For **K.N. Chandla & Co.**
Chartered Accountants(CA Dinesh Kumar Sood)
Membership No.: 088343Place: Shimla
Date: 24/04/2015Dinesh Shetty
DirectorPlace: Chennai
Date: 24/04/2015Ajay Agarwal
DirectorPlace: Chennai
Date: 24/04/2015

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

Note 1: Significant accounting policies

(a) Basis of accounting and preparation of financial statements :

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act"), as applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(b) Use of estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of financial statements and the reported income and expenses during the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

(c) Fixed assets:

Tangible Fixed assets are carried at cost less accumulated depreciation/amortisation and accumulated impairment losses, if any. Cost comprises of purchase price and other directly attributable costs of bringing the asset to its working condition for its intended use and includes interest on moneys borrowed for construction/acquisition of fixed assets up to the period the assets are ready for use. Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Losses arising from the retirement of and gains or losses arising from the disposal of fixed assets which are carried at cost are recognised in the Statement of profit and loss.

Depreciation is provided on a pro-rata basis on straight line method and useful life of the assets, in the manner prescribed in the schedule II of the Companies Act 2013.

(d) Holiday On Hills Resorts Private Limited (The "Company") is engaged in the business of rendering hospitality services at a full service hotel. The company is an unlisted public limited company, that is a wholly owned subsidiary of Mahindra Holidays & Resorts India Limited, (the parent). The company owns one full service hotel at which it provides hospitality services to the upscale market.

(e) Impairment of assets:

The carrying value of the assets (tangible or intangible) is reviewed at each Balance Sheet date for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

(f) Leases:

Rentals paid under operating lease are recognised as expenses in the Statement of Profit and Loss on straight line basis over the period of lease. Rentals received on assets given on operating leases are recognised as income in the Statement of Profit and Loss on a straight-line basis over the period of the lease as per the terms of agreement.

(g) Investments:

Investment that are readily realisable and intended to be held for not more than one year from the date on which such investments were made were classified as current investments. All other investments are classified as long-term investments. Long-term investments are carried at cost less provision for diminution other than temporary, in the value of

such investments, such diminution being determined and made for each investment individually. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

(h) Inventories:

Stock of food and beverages and operating supplies are carried at lower of cost and net realisable value. Cost is determined on First-in-First-out basis. Cost includes the purchase price, non refundable taxes and delivery handling cost. Net realisable value is estimated at the expected selling price less estimated costs of procurement and sales.

(i) Revenue recognition:

Revenue is primarily derived from hotel operations including rental of rooms and sale of food and beverages and other allied services. Revenue is recognised when the rooms are occupied and the services have been rendered. Taxes collected and submitted to taxing authorities are not recorded in revenue. Interest income is recognised on a time proportion basis by reference to the principal outstanding and at the rate applicable. Dividends are credited to the Statement of Profit and Loss when the right to receive such dividend is established.

(j) Foreign currency transactions:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities outstanding at the Balance Sheet date are restated at year end rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise and charged to the Statement of Profit and Loss.

Any premium or discount arising at the inception of the forward exchange contract is recognised as income or expense over the life of the contract. Any profit or loss arising on cancellation of such a forward exchange contract is recognised as income or expense during the year in which such cancellation occurs.

(k) Borrowing costs:

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

(l) Employee benefits:

i. Short term

Short term employee benefits include salaries and performance incentives. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense in the Statement of profit and loss during the year when the employees render the service to the company.

ii. Long term

The Company has defined contribution and defined benefit plans. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees.

• Defined-contribution plans

The Company's contribution to provident fund and family pension fund made to the regulatory authorities and the Company has future obligation are considered as defined contribution plans and are charged as an expense in the Statement of profit and loss as they fall due based on the amount of contribution required to be made.

• Defined-benefit plans

Expenses for defined-benefit gratuity plans are calculated as at the balance sheet date by independent actuaries using the projected unit credit method in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. Actuarial gains/ losses are recognised in the Statement of profit and loss in the year in which they arise.

iii. Other employee benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

(m) Taxes on income:

i. Company's income taxes include taxes on the taxable income, adjustments attributable to earlier periods and changes in deferred taxes.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income tax Act, 1961.

ii. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realise ability.

(n) Earnings per share:

Basic earnings per share is computed by dividing the profit/ (loss) after tax by the weighted average number of equity shares in issue during the year.

(o) Cash flow statements:

The cash flow statement is prepared in accordance with "Indirect Method" as explained in the Accounting Standard (AS) 3 on "Cash Flow Statements".

Cash and cash equivalents:

Cash and bank balances and current investments that have insignificant risk of change in value, which have durations up to three months, are included in the Company's cash and cash equivalents in the Cash Flow Statement.

(p) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. A contingent liability is disclosed unless the possibility of an outflow of resources embodying

economic benefits is remote. A contingent asset is neither recognised nor disclosed.

Note 2: Share Capital

	As at March 31, 2015	In Rs. As at March 31, 2014
Authorised:		
1,000,000 equity shares of Rs. 10 each	10,000,000	10,000,000
	10,000,000	10,000,000

Issued and Subscribed:

Equity:

1,000,000 (previous period 1,000,000) equity shares of Rs. 10 each fully paid (the above equity shares are held by the holding company, Mahindra Holidays & Resorts India Ltd.)	10,000,000	10,000,000
	10,000,000	10,000,000

Note:

2a) Terms/rights attached to equity shares:

- i) The company has only one class of shares referred to as equity shares having a par value of Rs 10/-. Each holder of equity share is entitled to one vote per share.
- ii) Repayment of capital will be in proportion to the number of equity shares held.

2b) Shares in the company held by each shareholder holding more than 5% shares specifying the number of shares held.

Name of share holder	No of shares	% held as at March 31, 2015	No of shares	% held as at March 31, 2014
Mahindra Holidays & Resorts India Limited (#), The Holding Company	1,000,000	100.00%	1,000,000	100.00%

2c) The reconciliation of the number of shares outstanding as at March 31, 2015 and March 31, 2014 is set out below:-

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	(Shares)	(In Rs.)	(Shares)	(In Rs.)
No of Shares at the beginning (#)	1,000,000	10,000,000	1,000,000	10,000,000
Number of shares at March, 31, 2015 (#)	1,000,000	10,000,000	1,000,000	10,000,000

#(including beneficial ownership of 10 shares held by the Holding company jointly with Mr. Dinesh Shetty)

2d) For the five years immediately preceding 31st March, 2015

- No shares allotted as fully paid up pursuant to contract without payment being received in cash.
- No shares allotted as fully paid by way of Bonus shares and
- No shares were bought back.

Note 3: Reserves & Surplus

	As at March 31, 2015	In Rs. As at March 31, 2014
Capital Reserve	3,000,000	3,000,000
Surplus in Statement of Profit & Loss		
As per last balance sheet	(50,588,144)	(62,681,836)
Less: Adjustment on account of transitional provision specified in Schedule II of the Companies Act 2013 (Ref note 30)	(795,375)	-

HOLIDAY ON HILLS RESORTS PRIVATE LIMITED

	As at March 31, 2015	In Rs. As at March 31, 2014
Profit for the Current Year	(19,076,028)	12,093,692
	(70,459,547)	(50,588,144)
	(67,459,547)	(47,588,144)

Note 4: Long Term Borrowings

	As at March 31, 2015	In Rs. As at March 31, 2014
Term Loan (Secured)		
- From Bank (Repayable by Monthly Instalments)		
- ICICI Bank (Hypothication of Vehicle)	-	182,951
- UCO Bank, Kandaghat (Hypothication of Vehicle)	-	20,315
	-	203,266

Note 5: Long Term Provisions

	As at March 31, 2015	In Rs. As at March 31, 2014
Compensated absences	207,243	152,282
Gratuity	162,953	142,994
	370,196	295,276

Note 6: Short Term Borrowings

	As at March 31, 2015	In Rs. As at March 31, 2014
UnSecured:		
Loans & Advances From Related Parties (*)	295,551,000	292,271,000
Secured		
- From Bank (Instalment Due) (#)	-	330,148
	295,551,000	292,601,148

Note 10: Fixed Assets

Description of Assets	Gross block (at cost)				Depreciation/Amortisation				Net block		
	As at April 1, 2014	Additions	Deductions/ Adjustments	As at March 31, 2015	As at April 1, 2014	For the period	trf to reserves	Deductions/ Adjustments	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
A: Tangible Assets											
Land	4,146,549	-	-	4,146,549	-	-	-	-	-	4,146,549	4,146,549
Buildings	291,001,671	-	-	291,001,671	19,878,661	4,858,259	-	-	24,736,920	266,264,751	271,123,010
Plant and Equipments	35,619,795	826,405	(585,199)	35,861,001	7,461,672	3,340,630	192,645	(344,782)	10,650,165	25,210,836	28,158,123
Furniture and Fittings	16,717,097	828,693	585,199	18,130,989	8,650,069	892,546	455,922	344,782	10,343,319	7,787,670	8,067,028
Vehicles	1,965,874	765,320	-	2,731,194	1,951,376	228,168	110,118	-	2,289,662	441,532	14,498
Computer	1,921,273	467,126	-	2,388,399	1,056,692	588,687	36,690	-	1,682,069	706,330	864,581
Sub Total A	351,372,259	2,887,544	-	354,259,803	38,998,470	9,908,290	795,375	-	49,702,135	304,557,668	312,373,789
Previous Period	259,451,686	91,920,573	-	351,372,259	62,812,668	6,453,080	-	30,267,278	38,998,470	312,373,789	196,639,018

(*) The Loan from related party is from Mahindra Holiday & Resorts India Limited is repayable on demand and carries an interest rate of 9.5% per annum which is due on maturity

(#) The vehicle loans are secured by hypothecation of the assets funded.

Note 7: Trade Payables

	As at March 31, 2015	In Rs. As at March 31, 2014
Trade Payables:		
Total outstanding dues to micro and small enterprises	-	-
Others	-	3,536,153
	-	3,536,153

Note 8: Other Current Liabilities

	As at March 31, 2015	In Rs. As at March 31, 2014
Dues to Statutory Authorities (PF,ESI & other taxes)	1,946,994	1,953,704
Accrued Expenses	1,464,123	1,755,161
Accrued Interest	59,587,139	34,592,589
Gratuity	4,088	4,620
Advance from Customer	938,549	923,298
Security Deposit - MHRIL	38,770,000	38,770,000
	102,710,893	77,999,372

Note 9: Short Term Provisions

	As at March 31, 2015	In Rs. As at March 31, 2014
Compensated absences	9,616	8,002
	9,616	8,002

Note 11: Long Term Loans & Advances (Unsecured, considered good)

	In Rs.			In Rs.	
	As at March 31, 2015	As at March 31, 2014		Year ended March 15	Year ended March 14
Security deposits	866,670	635,510	- Food and beverages	35,934,984	30,137,369
Payments towards Income Tax (net of provisions)	5,080,805	3,578,093	- Wine and liquor	2,127,465	2,493,475
	<u>5,947,475</u>	<u>4,213,603</u>	- Others	4,984,930	1,972,383
				<u>73,812,608</u>	<u>59,019,118</u>

Note 12: Inventories (At lower of cost & net realisable value)

	In Rs.	
	As at March 31, 2015	As at March 31, 2014
Food, beverages and smokes	807,577	725,526
Operating supplies	1,404,398	1,122,283
	<u>2,211,975</u>	<u>1,847,809</u>

Note 13: Trade Receivable (Unsecured)

	In Rs.	
	As at March 31, 2015	As at March 31, 2014
Trade Receivables outstanding for less than six months from the date they are due for payment		
Considered good	431,503	445,718
	<u>431,503</u>	<u>445,718</u>

Note 14: Cash & Cash equivalents

	In Rs.	
	As at March 31, 2015	As at March 31, 2014
a. Cash on hand	121,864	97,007
	<u>121,864</u>	<u>97,007</u>
b. Balances with Banks		
Current accounts	3,444,055	13,622,068
Deposit Accounts	12,011,836	-
	<u>15,455,891</u>	<u>13,622,068</u>
	<u>15,577,755</u>	<u>13,719,075</u>

Note 15: Short Term Loans & Advances (Unsecured, considered good)

	In Rs.	
	As at March 31, 2015	As at March 31, 2014
Advances to Suppliers	3,602,160	2,551,126
Prepaid Expenses	543,923	611,411
	<u>4,146,083</u>	<u>3,162,537</u>

Note 16: Revenue from Operations

	In Rs.	
	Year ended March 15	Year ended March 14
Sales of Services		
Income from Resorts:		
- Room rentals	30,765,229	24,415,891

Note 17: Other Income

	In Rs.	
	Year ended March 15	Year ended March 14
Miscellaneous income	-	29,320
	<u>-</u>	<u>29,320</u>

Note 18: Employee benefits expense

	In Rs.	
	Year ended March 15	Year ended March 14
Salaries, wages and bonus	14,183,540	8,944,383
Contribution to Provident & other funds	670,979	341,701
Staff welfare	1,372,097	1,766,186
	<u>16,226,616</u>	<u>11,052,270</u>

Note 19: Finance costs

	In Rs.	
	Year ended March 15	Year ended March 14
Interest on short term borrowings	27,828,839	27,277,053
	<u>27,828,839</u>	<u>27,277,053</u>

Note 20: Other expenses

	In Rs.	
	Year ended March 15	Year ended March 14
Food Beverages and smokes Consumed		
Opening Stock	725,526	691,415
Add: Purchases	10,661,146	8,500,104
	<u>11,386,672</u>	<u>9,191,519</u>
Less: Closing Stock	807,577	725,526
	<u>10,579,095</u>	<u>8,465,993</u>
Operating Supplies	6,472,772	4,809,715
Power and fuel	7,176,015	6,368,362
Service charges	7,188,673	7,744,997
Rates and taxes	582,221	302,481
Insurance	294,079	380,846
Repairs and maintenance:-		
- Buildings	666,503	481,045
- Resort Renovations	1,189,208	-
- Office Equipment	1,197,959	406,887
- Others	1,007,602	1,028,776
Communication	348,554	309,107
Consultancy charges	186,061	86,627
Travelling	530,606	553,154
Auditors		
Audit fees	140,450	112,360
Other Services	112,360	56,180
Bank Charges	299,571	237,397
Printing & stationery	329,929	290,635
Legal Expenses	150,000	300,000

	In Rs.	
	Year ended March 15	Year ended March 14
Sales Promtotion	-	190,774
Miscellaneous	473,234	314,285
	38,924,891	32,439,621

Note: 21

There are no Contingent Liabilities existing on the Balance sheet date.

Note 22: Employees Benefits

Defined Contribution Plans

The company offers its employees benefits under defined contribution plans in the form of provident fund and family pension fund. Provident Fund and Family Pension Fund covers substantially all regular employees. Contribution are paid during the year into separate funds under certain statutory type arrangements. Both the employees and company pay predetermined contribution in provident fund and pension fund. The contributions are normally based upon certain proportion of employee's salary.

A sum of Rs. 6,70,979/- has been charged to statement of profit & loss for the period towards contribution to provident fund & pension fund.

Defined Benefit Plans

The company offers its employees benefits under defined benefit plans in the form of gratuity scheme (a lump sum amount). Benefits under defined benefit plans are typically based either on years of service and the employee's compensation (immediately before retirement). The gratuity scheme covers substantially all regular employees. Commitments are actuarially determined at the year end. Actuarial valuation is based on "Projected Unit credit" method. Gains & Losses of changed actuarial assumptions are charged to the statement of Profit & Loss.

Particulars	As at March 31, 2015 (Rs.)	As at March 31, 2014 (Rs.)
Present value of commitment	167,041	147,614
Fair value of plan assets	-	-
Net liability recognised in the balance sheet	167,041	147,614

Particulars	Year ended March 15 (Rs.)	Year ended March 14 (Rs.)
Opening balance	147,614	389,480
Interest cost	10,708	31,158
Current service cost	111,392	17,687
Benefits paid	57,278	-
Actuarial (gain)/loss	(45,395)	(290,711)
Closing balance	167,041	147,614
Net liability is bifurcated as follows:		
Current	4,088	4,620
Non current	162,953	142,994

The defined benefit commitments have not been funded as at the year end.

Particulars	Year ended March 15 (Rs.)	Year ended March 14 (Rs.)
Current service cost	111,392	17,687
Interest expenses	10,708	31,158
Expected return on investments	-	-
Net actuarial (gain)/loss	(45,395)	(290,711)
Benefits paid that were not funded by the plan	-	-
Expenses accounted in the Profit and Loss account	76,705	(241,866)

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions, which if changed, would affect the defined benefit commitment's size, funding requirements and pension expense.

Particulars	Year ended March 15 (Rs.)	Year ended March 14 (Rs.)
Rate for discounting liabilities	9.00%	9.00%
Expected salary increase rate	5.00%	5.00%
Expected return on scheme assets	-	-
Withdrawal rates	3%	3%
Mortality table used	IALM	IALM
	(2006-08) Unit	(2006-08) Unit

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is actuarially determined.

Particulars	Year ended March 15 (Rs.)	Year ended March 14 (Rs.)
Present value of commitment	167,041	147,614
Fair value of the Plans	-	-
Surplus/(Deficit)	(167,041)	(147,614)
Experience adjustment on plan liabilities	(45,395)	(272,722)
Experience adjustment on plan assets	-	-

Note 23: Related Party Disclosure

A related Parties with whom transactions have been taken place during the period

a) Name of the Party	Relationship
Mahindra Holiday & Resorts India Limited	Holding Company on and from 25 th October, 2012

b) Disclosure in respect of transaction with related party

Name of the Party	Nature of Transaction	Year ended March 15 (Rs.)	Year ended March 14 (Rs.)
Mahindra Holiday & Resorts India Limited	Loan received	3,280,000	6,200,000
	Interest Accrued but not due	24,994,550	24,467,785
	Interest Expense	27,771,722	27,186,427
	Income from Room rentals	25,255,000	19,557,500

c) Disclosure in respect of related party balance as on 31st March, 2015.

Name of the Party	Particulars	As on March 31, 2015 Rs.	As on March 31, 2014 Rs.
Mahindra Holiday & Resorts India Limited	Loan received	295,551,000	292,271,000
	Interest Accrued but not due	59,587,139	34,592,589
	Security Deposit	38,770,000	38,770,000

d) Disclosure in respect of related party balance as on March 31, 2015.

Name of the Party	Particulars	As on March 31, 2015 Rs.	As on March 31, 2014 Rs.
Mahindra Holiday & Resorts India Limited	Other Advance	-	647,604

Note 24: Expenditure in Foreign Currency

Particulars	Year ended March 15 (Rs.)	Year ended March 14 (Rs.)
Reservation, Membership fee and Commission	Nil	Nil
Interest on Foreign Currency Term Loan	Nil	Nil

Note 25: Earning in Foreign Currency

Particulars	Year ended March 15 (Rs.)	Year ended March 14 (Rs.)
Room Revenue/Food and Beverages Income	Nil	Nil

Note 26: Earning Per Share

Earnings per share:	Year ended March 15 (Rs.)	Year ended March 14 (Rs.)
Net profit after tax (Amount in Rs)	(19,076,028)	12,093,692
Weighted average number of Equity Shares used in computing basic earnings per share (Nos)	1,000,000	1,000,000
Earnings Per Share – Basic (in Rs.)	(19.08)	12.09
Earnings per share – Diluted (in Rs.)	(19.08)	12.09
Nominal value of shares (in Rs.)	10.00	10.00

Note 27: Forward Contracts and Foreign Currency Exposures:

The Year End Foreign Currency Exposures is Nil

Note 28:

The Company's primary (business) segment is singular viz "Hoteliering". There is no geographical segment to be reported since its property is located in and the operations are under taken in India. Therefore segment information required as per Accounting Standard (AS 17) on "Segment Reporting" is not furnished.

Note 29: Micro & Small enterprises

There are no dues payable to micro & small enterprises as at the year end requiring disclosure under Schedule VI of Companies Act, 1956 and the Micro Small and Medium Enterprises development Act, 2006. This information is complied in respect of parties to the extent to which they could be identified as Micro or Small Enterprises on the basis of information received from suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006.

Note 30:

he accumulated Losses of the company amounting to Rs. 70,495,547.00 as at the period ended on 31st March, 2015 exceeds its paid up capital of Rs. 10,000,000. the Company incurred a net loss of Rs. 19,076,028. However the financial statements are prepared on the assumption that the company is a going concern having regard to the financial support extended by the holding company Mahindra Holiday & Resorts limited during the year (which includes the loans aggregating Rs. 295,551,000/- outstanding as at the year ended on 31st March, 2015 including interest accrued but not due Rs. 59,587,139.00, which sum has been included as a part of current liabilities) as well as their commitment of future financial support to enable the company to meet its financial obligations and continue as going concern.

Note 31:

Pursuant to the enactment of the Companies Act 2013 (the 'Act'), the company has provided depreciation in accordance with Schedule II to the Act. As a result (after considering the transitional provision as specified in Schedule II), the depreciation charge for the current year is higher by Rs 971,603/-. Further an amount of Rs. 795,375/- has been debited to retained earnings.

Note 32: Payment Made to Auditors

Particulars	Year ended March 15 (Rs.)	Year ended March 14 (Rs.)
Payment to Auditors:		
As Auditor	140,450	112,360
For taxation matters	-	-
For other services	112,360	56,180
Total	252,810	168,540

Note 33:

Previous Year's Figures have been re-classified wherever necessary, to correspond and confirm with the current year classification and disclosures.

In terms of our report attached For and on behalf of the Board of Directors

For **K. N. Chandla & Co.**
Chartered Accountants

(**CA Dinesh Kumar Sood**)
Membership No.: 088343

Dinesh Sheety
Director

Ajay Agarwal
Director

Place: Shimla
Date: 24/04/2015

Place: Chennai
Date: 24/04/2015

Place: Chennai
Date: 24/04/2015

DIRECTORS' REPORT

The following shall constitute a report of the Board of Directors relating to the activities of the Company during the financial year ended 31st March, 2015.

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

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

Your Company continues to hold 51% of ordinary shares of Infinity Hospitality Group Company Limited.

Mr. Dinesh Shetty, Mr. Ravindera Khanna, Mr. Noppun Muangkote and Mr. Helmut Horst Mekelburgare Directors of the Company.

For **MH Boutique Hospitality Limited**

Dinesh Shetty
Director

Ravindera Khanna
Director

Dated: 4th April, 2015

Place: Bangkok

Report of Independent Auditor

To the Shareholders of MH Boutique Hospitality Limited

I have audited the accompanying financial statements of **MH Boutique Hospitality Limited**, which comprise the statements of financial position as at 31st March, 2015, and the related statement of Income and changes in shareholders' equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audit accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall Presentation of the financial statements.

I believe that the audit evidence I had obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MH Boutique Hospitality Limited as at 31 March 2015, and its financial performance for the year then ended in accordance with the Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

(Danai Tangwimolwuttiwong)
Certified Public Accountant (Thailand) No. 9329

Cover Biz Co., Ltd.

Bangkok
April 4, 2015

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

		<i>Currency : Baht</i>	<i>Currency : INR</i>	<i>Currency : Baht</i>	<i>Currency : INR</i>
	Notes	31 Mar 2015	31 Mar 2015	31 Mar 2014	31 Mar 2014
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		62,292	119,203	62,233	119,090
TOTAL CURRENT ASSETS		62,292	119,203	62,233	119,090
NON-CURRENT ASSETS					
Investment in subsidiaries	4	38,000,000	72,717,180	38,000,000	72,717,180
TOTAL NON-CURRENT ASSETS		38,000,000	72,717,180	38,000,000	72,717,180
TOTAL ASSETS		38,062,292	72,836,383	38,062,233	72,836,270
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other payable	5	6,458,817	12,359,657	3,759,081	7,193,415
Other current liabilities		405	775	0	0
TOTAL CURRENT LIABILITIES		6,459,222	12,360,432	3,759,081	7,193,415
NON-CURRENT LIABILITIES					
Long-term loan	6	28,000,000	53,581,080	28,000,000	53,581,080
TOTAL NON-CURRENT LIABILITIES		28,000,000	53,581,080	28,000,000	53,581,080
TOTAL LIABILITIES		34,459,222	65,941,512	31,759,081	60,774,495
SHAREHOLDERS' EQUITY					
Authorized share capital					
51,000 preference shares of Baht 100 each		5,100,000	9,759,411	5,100,000	9,759,411
49,000 ordinary shares of Baht 100 each		4,900,000	9,376,689	4,900,000	9,376,689
Issued and paid-up share capital		5,100,000	9,759,411	5,100,000	9,759,411
51,000 preference shares of Baht 100 each		5,100,000	9,759,411	5,100,000	9,759,411
49,000 ordinary shares of Baht 100 each		4,900,000	9,376,689	4,900,000	9,376,689
Retained earnings (Deficits)		(6,396,930)	(12,241,229)	(3,696,848)	(7,074,325)
TOTAL SHAREHOLDERS' EQUITY		3,603,070	6,894,871	6,303,152	12,061,775
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		38,062,292	72,836,383	38,062,233	72,836,270

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

Director

STATEMENTS OF INCOME FOR THE YEAR ENDED 31 MARCH 2015

		<i>Currency : Baht</i>	<i>Currency : INR</i>	<i>Currency : Baht</i>	<i>Currency : INR</i>
	Notes	31 Mar 2015	31 Mar 2015	31 Mar 2014	31 Mar 2014
REVENUES	3				
Other income		261.87	501.12	46,821.57	89,598.22
TOTAL REVENUES		261.87	501.12	46,821.57	89,598.22
EXPENSES					
Administrative expenses	3	40,343.62	77,201.95	29,028.22	55,548.69
TOTAL EXPENSES		40,343.62	77,201.95	29,028.22	55,548.69
EARNINGS BEFORE FINANCIAL COST		(40,081.75)	(76,700.84)	17,793.35	34,049.53
Financial costs		2,660,000.00	5,090,202.60	2,660,000.00	5,090,202.60
NET PROFIT (LOSS)		(2,700,081.75)	(5,166,903.44)	(2,642,206.65)	(5,056,153.07)

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

Director

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	Issued and paid-up share capital		Retained earnings	Total
	Preference	Ordinary	(Deficits)	
BEGINNING BALANCE AS OF 31 MARCH 2013	5,100,000.00	4,900,000.00	(1,054,641.36)	8,945,358.64
Changes in shareholders' equity for the period				
Net profit (loss) for the period			(2,642,206.65)	(2,642,206.65)
ENDING BALANCE AS OF 31 MARCH 2014	5,100,000.00	4,900,000.00	(3,696,848.01)	6,303,151.99
Changes in shareholders' equity for the period				
Net profit (loss) for the period			(2,700,081.75)	(2,700,081.75)
ENDING BALANCE AS OF 31 MARCH 2015	5,100,000.00	4,900,000.00	(6,396,929.76)	3,603,070.24

Currency : Baht

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

	Issued and paid-up share capital		Retained earnings	Total
	Preference	Ordinary	(Deficits)	
BEGINNING BALANCE AS OF 31 MARCH 2013	9,759,411.00	9,376,689.00	(2,018,172.25)	17,117,927.75
Changes in shareholders' equity for the period	-	-	-	-
Net profit (loss) for the period	-	-	(5,056,153.07)	(5,056,153.07)
ENDING BALANCE AS OF 31 MARCH 2014	9,759,411.00	9,376,689.00	(7,074,325.32)	12,061,774.68
Changes in shareholders' equity for the period	-	-	-	-
Net profit (loss) for the period	-	-	(5,166,903.44)	(5,166,903.44)
ENDING BALANCE AS OF 31 MARCH 2015	9,759,411.00	9,376,689.00	(12,241,228.76)	6,894,871.24

Currency : INR

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

Director

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2015

1. GENERAL INFORMATION

Company status

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

Place of company

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

Business and operation

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

2. BASIC OF FINANCIAL STATEMENT PREPARATION

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

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

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

5. TRADE AND OTHER PAYABLES

Consist of:

Accrued Interest expenses - Related parties (Note 6)

Accrued Interest expenses for withholding tax

Accrued expenses

Advance payment

Total

3. SUMMARIZED SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

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

3.2 Investment

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

3.3 Revenue and expenses recognition

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

4. INVESTMENT IN SUBSIDIARIES

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

Details of the Company's subsidiaries, as at 31 March 2015 are as follows:

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

	<i>Currency : Baht</i>	<i>Currency : INR</i>	<i>Currency : Baht</i>	<i>Currency : INR</i>
	31 Mar 2015	31 Mar 2015	31 Mar 2014	31 Mar 2014
Accrued Interest expenses - Related parties (Note 6)	5,408,143	10,349,076	3,147,143	6,022,404
Accrued Interest expenses for withholding tax	954,378	1,826,308	555,378	1,062,777
Accrued expenses	24,815	47,486	28,000	53,581
Advance payment	71,481	136,787	28,560	54,653
Total	6,458,817	12,359,657	3,759,081	7,193,415

Director

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2015

6. RELATED PARTIES TRANSACTIONS

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

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

Relationship with related parties were as follows:

Name of entities	Incorporation	Relationship
Mahindra Holidays & Resorts India Limited	India	49% shareholder

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

Transactions	Pricing policies
Interest charged	Contractually agreed rate

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

	Currency : Baht 31 Mar 2015	Currency : INR 31 Mar 2015	Currency : Baht 31 Mar 2014	Currency : INR 31 Mar 2014
Expenses				
Mahindra Holidays & Resorts India Limited	2,660,000	5,090,203	2,660,000	5,090,203
Payable				
Mahindra Holidays & Resorts India Limited	5,408,143	10,349,076	3,147,143	6,022,404
Loan from related parties				
Mahindra Holidays & Resorts India Limited	28,000,000	53,581,080	28,000,000	53,581,080
Interest Rate	9.50%	9.50%	9.50%	9.50%

7. APPROVAL OF FINANCIAL STATEMENT

These financial statements were authorised for issue by company's authorised director on April 4, 2015

8. FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 1.91361 = THB 1 which is the Bloomberg rate as on 31st March 2015

Director

DIRECTORS' REPORT

The following shall constitute a report of the Board of Directors relating to the activities of the Company during the financial year ended 31st December, 2014.

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

During the year under review, the Company has earned a revenue of THB 31,823,514 (INR 61,101,147) as against THB 34,995,024 (INR 67,190,447) for previous year.

Mr. Dinesh Shetty, Mr. Ravindera Khanna, Mr. Helmut Horst Mekelburg and Mr. Shiller Bhaskaran (Appointed w.e.f. 7th July, 2014) are the Directors of the Company.

For Infinity Hospitality Group Company Limited

Dinesh Shetty
Director

Ravindera Khanna
Director

Dated: 5th April, 2015
Place: Bangkok

REPORT OF INDEPENDENT AUDITOR

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

I have audited the accompanying financial statements of **Infinity Hospitality Group Company Limited**, which comprise the statements of financial position as at 31 December 2014, and the related statement of income and changes in shareholders' equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audit accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall Presentation of the financial statements.

I believe that the audit evidence I has obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Infinity Hospitality Group Company Limited as at 31 December 2014, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

(Danai Tangwimolwuttiwong)

Certified Public Accountant (Thailand) No. 9329

Bangkok

March 9, 2015

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Notes	ASSETS			
		2014		2013	
		Currency: Baht	Currency: INR	Currency: Baht	Currency: INR
CURRENT ASSETS					
Cash and cash equivalents		2,658,031.04	5,103,420.00	2,554,461.41	4,904,566.00
Temporary investment		407,000.35	781,441.00	399,098.21	766,269.00
Trade and other receivables	4	13,510,207.81	25,939,599.00	5,879,951.48	11,289,507.00
Inventory	5	335,908.78	644,945.00	173,225.02	332,592.00
Other current assets		373,915.70	717,918.00	486,863.23	934,777.00
TOTAL CURRENT ASSETS		17,285,063.68	33,187,323.00	9,493,599.35	18,227,711.00
NON-CURRENT ASSETS					
Property, plant and equipment	6	187,623,688.51	360,237,482.00	192,743,001.90	370,066,564.00
Intangible assets	7	66,463.21	127,609.00	95,367.21	183,105.00
Other non-current assets		395,000.01	758,400.00	395,000.01	758,400.00
TOTAL NON-CURRENT ASSETS		188,085,151.73	361,123,491.00	193,233,369.12	371,008,069.00
TOTAL ASSETS		205,370,215.41	394,310,814.00	202,726,968.47	389,235,780.00

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

Director

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014 (Contd)**
LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	2014		2013	
		Currency: Baht	Currency: INR	Currency: Baht	Currency: INR
CURRENT LIABILITIES					
Trade and other payable.....	8	24,208,951.36	46,481,187.00	11,401,267.49	21,890,434.00
Other current liabilities		1,076,700.67	2,067,265.00	545,958.53	1,048,240.00
TOTAL CURRENT LIABILITIES.....		25,285,652.03	48,548,452.00	11,947,226.02	22,938,674.00
NON-CURRENT LIABILITIES					
Long-term loan	9	137,000,000.00	263,040,000.00	137,000,000.00	263,040,000.00
TOTAL NON-CURRENT LIABILITIES		137,000,000.00	263,040,000.00	137,000,000.00	263,040,000.00
TOTAL LIABILITIES.....		162,285,652.03	311,588,452.00	148,947,226.02	285,978,674.00
SHAREHOLDERS' EQUITY					
Authorized share capital					
1,500,000 ordinary shares of					
Baht 100 each.....					
		150,000,000.00	288,000,000.00	150,000,000.00	288,000,000.00
Issued and paid-up share capital					
1,500,000 ordinary shares of					
Baht 100 each.....					
		150,000,000.00	288,000,000.00	150,000,000.00	288,000,000.00
Retained earnings (Deficits).....					
		(106,915,436.62)	(205,277,638.00)	(96,220,257.55)	(184,742,894.00)
TOTAL SHAREHOLDERS' EQUITY		43,084,563.38	82,722,362.00	53,779,742.45	103,257,106.00
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		205,370,215.41	394,310,814.00	202,726,968.47	389,235,780.00

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

Director

**STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014		2013	
		Currency: Baht	Currency: INR	Currency: Baht	Currency: INR
REVENUES	3				
Revenue from rent and services.....		31,784,145.86	61,025,560.00	34,978,521.16	67,158,761.00
Other income.....		39,368.34	75,587.00	16,502.99	31,686.00
TOTAL REVENUES		31,823,514.20	61,101,147.00	34,995,024.15	67,190,447.00
EXPENSES	3				
Cost of rent and services.....		12,929,893.83	24,825,396.00	14,388,231.30	27,625,404.00
Selling expenses		11,797,151.67	22,650,531.00	11,826,880.21	22,707,610.00
Administrative expenses		4,776,647.77	9,171,164.00	4,497,877.42	8,635,925.00
TOTAL EXPENSES		29,503,693.27	56,647,091.00	30,712,988.93	58,968,939.00
EARNINGS BEFORE FINANCIAL COST		2,319,820.93	4,454,056.00	4,282,035.22	8,221,508.00
Financial costs.....		(13,015,000.00)	(24,988,800.00)	(12,847,385.23)	(24,666,980.00)
NET PROFIT (LOSS)		(10,695,179.07)	(20,534,744.00)	(8,565,350.01)	(16,445,472.00)

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

Director

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Currency : Baht		
	<u>Issued and paid-up share capital</u>	<u>Retained earnings (Deficits)</u>	<u>Total</u>
Beginning balance of year 2013	150,000,000.00	(87,654,907.54)	62,345,092.46
Changes in shareholders' equity for the year 2013			
Net profit (loss) for the year	–	(8,565,350.01)	(8,565,350.01)
Ending balance of year 2013	150,000,000.00	(96,220,257.55)	53,779,742.45
Changes in shareholders' equity for the year 2014			
Net profit (loss) for the year	–	(10,695,179.07)	(10,695,179.07)
Ending balance of year 2014	150,000,000.00	(106,915,436.62)	43,084,563.38

	Currency : INR		
	<u>Issued and paid-up share capital</u>	<u>Retained earnings (Deficits)</u>	<u>Total</u>
Beginning balance of year 2013	288,000,000.00	(168,297,422.00)	119,702,578.00
Changes in shareholders' equity for the year 2013			
Net profit (loss) for the year	–	(16,445,472.00)	(16,445,472.00)
Ending balance of year 2013	288,000,000.00	(168,297,422.00)	103,257,106.00
Changes in shareholders' equity for the year 2014			
Net profit (loss) for the year	–	(20,534,744.00)	(20,534,744.00)
Ending balance of year 2014	288,000,000.00	(188,832,166.00)	82,722,362.00

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

Director

NOTES TO FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

1 GENERAL INFORMATION

Company status

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

Place of company

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

Business and operation

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

2 BASIC OF FINANCIAL STATEMENT PREPARATION

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

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

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

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

3 SUMMARIZED SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

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

3.2 Inventories - net

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

3.3 Property, plant and equipment - net

Land is stated at cost, Building and Equipment are stated at cost less accumulated depreciation.

Depreciation is calculated by a straight-line method over their estimated useful life as follows:

	Useful life	
Building	20	Years
Office equipment	5	Years
Computer and Equipment	5	Years
Vehicles	5	Years

3.4 Intangible assets

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

	Year life	
Computer software	5	Years

3.5 Employee benefits

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

3.6 Provisions and contingent liabilities

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

3.7 Revenue and expenses recognition

Hotel revenues from rooms, food and beverage and other services are recognised when the rooms are occupied, food and beverage are sold and the services are rendered.

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

3.8 Income tax expense

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

4 TRADE AND OTHER RECEIVABLES

Consist of:

	2014	2014	2013	2013
	Currency: Baht	Currency: INR	Currency: Baht	Currency: INR
Accounts Receivable - Trade	555,656.43	1,066,860.00	215,632.40	414,014.00
Accrued income - related parties (Note 9)	12,780,587.50	24,538,728.00	5,436,587.50	10,438,248.00
Prepaid expenses	116,522.88	223,724.00	180,000.00	345,600.00
Other Receivables	57,441.00	110,287.00	47,731.58	91,645.00
Total	13,510,207.81	25,939,599.00	5,879,951.48	11,289,507.00

5 INVENTORY

Consist of:

	2014	2014	2013	2013
	Currency: Baht	Currency: INR	Currency: Baht	Currency: INR
Finished Goods	335,908.78	644,945.00	173,225.02	332,592.00
Total	335,908.78	644,945.00	173,225.02	332,592.00

Director

6 PROPERTY, PLANT AND EQUIPMENT

	Currency : Baht					
Consist of:	Land	Building	Office Equipment	Computer	Vehicles	Total
Cost						
As at 31 December 2013	114,770,000.00	108,968,618.24	4,909,011.86	8,691.59	175,000.00	228,831,321.69
Acquisitions			593,294.08	84,980.19		678,274.27
Disposals			(297,313.25)			(297,313.25)
Adjustment/Reclassification						-
As at 31 December 2014	114,770,000.00	108,968,618.24	5,204,992.69	93,671.78	175,000.00	229,212,282.71
Accumulated depreciation						
As at 31 December 2013		31,944,429.77	3,968,177.35	713.65	174,999.02	36,088,319.79
Depreciation for the year		5,448,430.81	334,815.09	14,333.76		5,797,579.66
Depreciation on disposals			(297,305.25)			(297,305.25)
Adjustment/Reclassification						-
As at 31 December 2014	-	37,392,860.58	4,005,687.19	15,047.41	174,999.02	41,588,594.20
Net book value						
As at 31 December 2013	114,770,000.00	77,024,188.47	940,834.51	7,977.94	0.98	192,743,001.90
As at 31 December 2014	114,770,000.00	71,575,757.66	1,199,305.50	78,624.37	0.98	187,623,688.51
Depreciation for the year						
2013 (Included in cost and administrative expenses)						6,075,385.97
2014 (Included in cost and administrative expenses)						5,797,579.66

6 PROPERTY, PLANT AND EQUIPMENT

	Currency : INR					
Consist of:	Land	Building	Office Equipment	Computer	Vehicles	Total
Cost						
As at 31 December 2013	220,358,400.00	209,219,747.00	9,425,303.00	16,688.00	336,000.00	439,356,138.00
Acquisitions			1,139,125.00	163,162.00		1,302,287.00
Disposals			(570,841.00)			(570,841.00)
Adjustment/Reclassification						-
As at 31 December 2014	220,358,400.00	209,219,747.00	9,993,587.00	179,850.00	336,000.00	440,087,584.00
Accumulated depreciation						
As at 31 December 2013		61,333,305.00	7,618,901.00	1,370.00	335,998.00	69,289,574.00
Depreciation for the year		10,460,987.00	642,845.00	27,521.00		11,131,353.00
Depreciation on disposals			(570,826.00)			(570,826.00)
Adjustment/Reclassification						-
As at 31 December 2014	-	71,794,292.00	7,690,920.00	28,891.00	335,998.00	79,850,101.00
Net book value						
As at 31 December 2013	220,358,400.00	147,886,442.00	1,806,402.00	15,318.00	2.00	370,066,564.00
As at 31 December 2014	220,358,400.00	137,425,455.00	2,302,667.00	150,959.00	2.00	360,237,483.00
Depreciation for the year						
2013 (Included in cost and administrative expenses)						11,664,741.00
2014 (Included in cost and administrative expenses)						11,131,353.00

Director

NOTES TO FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014 (Contd)

7 INTANGIBLE ASSETS

Consist of:	Currency: Baht	
	Computer Software	Total
Cost		
As at 31 December 2013	516,484.00	516,484.00
Acquisitions		
Disposals		
Adjustment/Reclassification		
As at 31 December 2014	516,484.00	516,484.00
Accumulated amortisation		
As at 31 December 2013	421,116.79	421,116.79
Amortisation for the year	28,904.00	28,904.00
Amortisation on disposals		
Adjustment/Reclassification		
As at 31 December 2014	450,020.79	450,020.79
Net book value		
As at 31 December 2013	95,367.21	95,367.21
As at 31 December 2014	66,463.21	66,463.21
Amortisation for the year 2013 (Included in administrative expenses)		28,671.44
2014 (Included in administrative expenses)		28,904.00

7 INTANGIBLE ASSETS

Consist of:	Currency: INR	
	Computer Software	Total
Cost		
As at 31 December 2013	991,649.00	991,649.00
Acquisitions		
Disposals		
Adjustment/Reclassification		
As at 31 December 2014	991,649.00	991,649.00
Accumulated amortisation		
As at 31 December 2013	808,544.00	808,544.00
Amortisation for the year	55,496.00	55,496.00
Amortisation on disposals		-
Adjustment/Reclassification		-
As at 31 December 2014	864,040.00	864,040.00
Net book value		
As at 31 December 2013	183,105.00	183,105.00
As at 31 December 2014	127,609.00	127,609.00
Amortisation for the year 2013 (Included in administrative expenses)		55,049.00
2014 (Included in administrative expenses)		55,496.00

8 TRADE AND OTHER PAYABLES

Consist of:	2014	2014	2013	2013
	Currency: Baht	Currency: INR	Currency: Baht	Currency: INR
Trade payables	722,810.67	1,387,796.00	657,016.52	1,261,472.00
Post date cheque payables	32,042.20	61,521.00	-	-
Advance received	322,801.54	619,779.00	123,732.84	237,567.00
Accrued interest expenses - related parties (Note 9)	19,397,697.70	37,243,580.00	8,334,948.70	16,003,102.00
Accrued interest expenses for withholding tax	3,423,124.30	6,572,399.00	1,470,873.30	2,824,077.00
Accrued expenses	310,474.95	596,112.00	814,696.13	1,564,217.00
Total	24,208,951.36	46,481,187.00	11,401,267.49	21,890,435.00

9 RELATED PARTIES TRANSACTIONS

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

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

Relationship with related parties were as follows:

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

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

Transactions	Pricing policies
Revenue from rent and services	The average of market prices
Interest charged	Contractually agreed rate

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

	2014	2014	2013	2013
	Currency: Baht	Currency: INR	Currency: Baht	Currency: INR
Income				
Mahindra Holidays & Resorts India Limited (Included VAT 7%)	7,344,000.00	14,100,480.00	8,928,000.00	17,141,760.00
Expenses				
Mahindra Holidays & Resorts India Limited	13,015,000.00	24,988,800.00	12,846,095.97	24,664,504.00
Receivable				
Mahindra Holidays & Resorts India Limited	12,780,587.50	24,538,728.00	5,436,587.50	10,438,248.00
Payable				
Mahindra Holidays & Resorts India Limited	19,397,697.70	37,243,580.00	8,334,948.70	16,003,102.00
Loan from related parties				
Mahindra Holidays & Resorts India Limited	137,000,000.00	263,040,000.00	137,000,000.00	263,040,000.00
Interest rate	9.50%	9.50%	9.00%, 9.50%	9.00%, 9.50%

10 APPROVAL OF FINANCIAL STATEMENT

These financial statement were authorized for issue by company's authorized director on March 9, 2015

11 FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 1.92 = THB 1 which is the Bloomberg rate as on 31 December 2014

Director

DIRECTORS' REPORT TO THE SHAREHOLDERS

To,

The Shareholders,

Your Directors have pleasure in presenting their Thirtieth Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2015.

Performance of the Company

Your Company's resort property situated at Manali, Himachal Pradesh, was fully functional and operational during the year under review.

During the year under review, your Company was acquired by Mahindra Holidays & Resorts India Limited.

FINANCIAL RESULTS:

	(₹ in Lakhs)	
	2015	2014
Income:		
Revenue from operations	520.79	598.97
Other Income	8.96	20.88
	529.75	619.85
Total Expenditure	150.65	466.05
Profit/(Loss) before Tax	379.11	153.80
Provision for Income Tax	34.50	50.70
Deferred Tax	97.32	(0.56)
Net Profit/(Loss) after Tax	247.29	103.66
Balance brought forward	16.29	1.03
Less: Appropriations		
General Reserve	–	7.85
Proposed Dividend	–	70.00
Dividend Tax	–	11.09
Tax Adjustment of previous years	–	(1.35)
Balance carried to Balance Sheet	263.58	16.29

Dividend and Reserves

Your Directors propose to retain the surplus to meet the operational requirement and hence do not recommend any dividend for the year under review and also do not propose to transfer any amount to the reserve account.

Holding Company

During the year under review, consequent upon change in management, your Company became a wholly owned subsidiary of Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company, Mahindra & Mahindra Limited, w.e.f. 18th June, 2014.

Scheme of Amalgamation and Arrangement

During the year under review, the Board approved the Scheme of Amalgamation and Arrangement for merger of the Company with Mahindra Holidays & Resorts India Limited (MHRIL), holding company, and their respective Shareholders and Creditors. The Scheme of Amalgamation and Arrangement ("the Scheme") also involves the merger of Divine Heritage Hotels Private Limited and Holiday on Hills Resorts Private

Limited, fellow subsidiaries, with MHRIL and their respective Shareholders and Creditors. Accordingly the Scheme will be effective from the last of the dates on which the certified or authenticated copies of the Orders of the Hon'ble High Courts of Delhi, Rajasthan, Himachal Pradesh and Madras are filed with the Registrar of Companies at Delhi, Jaipur, Chandigarh & Shimla and Chennai respectively.

Your Company is in the process of filing application with the Hon'ble High Court of Delhi in respect of the above. The Appointed Date of the Scheme is 1st April, 2015.

Auditors' Report

There are no reservations, qualifications or adverse remarks or disclaimers made by the Statutory Auditors in the Auditor's Report.

Extract of the annual return

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

Directors

Appointment of Director

Pursuant to Section 152(6) of the Act, Mr. Dinesh Shetty, Mr. Ravindera Nath Khanna and Mr. Ajay Agrawal were appointed as Additional Directors with effect from 18th June, 2014. They hold office upto the date of the ensuing Annual General Meeting of the Company. Your Company has received Notices from a member under Section 160 of the Act, proposing Mr. Shetty, Mr. Khanna and Mr. Agrawal as candidates to hold the office of Directors. The Board recommends their appointments to the members for their approval.

Resignation of Directors

During the year, Mr. Raj Chopra, Ms. Priya Chopra, Mr. Suresh Kumar Rattan, Mr. Ramesh Chander Murada and Mr. Sanjay Khanna, resigned from the Directorship of the Company w.e.f. 18th June, 2014 owing to the change in the management of your Company. The Board places on record its sincere appreciations for the valuable services rendered and guidance received from them during their tenure as Directors of the Company.

Key Managerial Personnel

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

Number of meetings of the Board of Directors

During the year under review, the Board met seven times from 1st April, 2014 to 31st March, 2015. The Board of Directors had met once a quarter with a gap not exceeding 120 (one hundred and twenty) days between two Board Meetings.

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

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

Particulars of contracts or arrangements with related parties

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

During the year under review, your Company entered into transactions including a transaction which was material in nature with Mahindra Holidays & Resorts India Limited (MHRIL), holding company. Your Directors confirm that these transactions with MHRIL are in ordinary course of business and at arms length. The details of the material transaction are given in Form AOC 2 attached as Annexure II to this report.

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

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

Statutory Auditors

Messrs Lamba Vij & Co., Chartered Accountants, (ICAI Registration Number 002520N), retire as Auditors of the Company at the ensuing Annual General Meeting and have given their consent for re-appointment. The members are requested to appoint Auditors for five (5) years from the conclusion of the forthcoming Annual General Meeting until the conclusion of Annual General Meeting to be held in 2020 and fix their remuneration.

As required under the provisions of Sections 139 and 141 of the Act, your Company has obtained a written certificate from the above Auditors proposed to be re-appointed to the effect that their re-appointment, if made, would be in conformity within the limits specified in the said Section. Further, the Company has also received a certificate to the effect that the Auditor proposed to be re-appointed satisfies the criteria provided in Section 141 of the Act.

Material Changes and Commitments affecting the financial position of the Company

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. 31st March, 2015 and the date of the Directors' Report.

Internal Financial Controls

Your Company has adequate internal financial controls with reference to financial statements.

Deposits and Loans/Advances

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

Your Company has not made any loans/advances of the nature, which are otherwise required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreements of the parent companies Mahindra Holidays & Resorts India Limited and Mahindra & Mahindra Limited with the Stock Exchanges.

Significant and Material Orders passed by the Regulators or Courts

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

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

Your Company continuously strives to conserve energy, adopt environment friendly practices and employ technology for more efficient operations.

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

Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts for the year ended 31st March, 2015, the applicable accounting standards have been followed and there is no material departure;
- (b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of 31st March, 2015 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 this Act for safeguarding

the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) the directors have been prepared the annual accounts on a going concern basis; and
- (e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgements

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

For and on behalf of the Board of Directors

Dinesh Shetty
Director

Ajay Agrawal
Director

Place: Chennai
Date: 24th April, 2015

ANNEXURE I TO THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2015

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2015**

[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	U55101DL1986PTC114589
ii	Registration Date	30 th May, 1986
iii	Name of the Company	Competent Hotels Private Limited
iv	Category/Sub-Category of the Company	Company Limited by Shares/Indian Non-Government Company
v	Address of the Registered office and contact details of the Company	Unit No. 873, 8th Floor, Aggarwal Cyber Plaza II, Plot No. C-7, Netaji Subhash Place, Pitampura, New Delhi - 110 034 Ph. No. 01902 – 253312 Fax No. 01902 – 252562 E-Mail - arun.khandelwal@mahindaholidays.com
vi	Whether listed company	NA
vii	Name, Address and Contact Details of Registrar and Transfer Agent	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main product/services	NIC Code of the Product/service	% to total turnover of the company
1	Income from Room rental	55101	60.79%
2	Income from sale of food and beverage	55101	34.67%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2014				No. of Shares held at the end of the year 31/03/2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	3,08,300	3,08,300	100.00	–	–	–	–	100.00
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	–	–	–	–	3,08,300	3,08,300	100.00	100.00
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other...	–	–	–	–	–	–	–	–	–
Sub-total A (1):-	–	3,08,300	3,08,300	100.00	–	3,08,300	3,08,300	100.00	100.00

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2014				No. of Shares held at the end of the year 31/03/2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other...	–	–	–	–	–	–	–	–	–
Sub-total A (2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A)= (A)(1) + (A)(2)	–	3,08,300	3,08,300	100.00	–	3,08,300	3,08,300	100.00	100.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–
2. Non-Institutions									
a) Bodies Corp.	–	–	–	–	–	–	–	–	–
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B)=(B)(1) + (B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	–	3,08,300	3,08,300	100.00	–	3,08,300	3,08,300	100.00	100.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2014			Shareholding at the end of the year 31/03/2015			% 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.	Raj Chopra	17,359	5.63	–	–	–	–	100.00
2.	Geeta Chopra	30,789	9.99	–	–	–	–	100.00
3.	Priya Chopra	2,60,152	84.38	–	–	–	–	100.00
4.	Mahindra Holidays & Resorts India Limited	–	–	–	3,08,300	100.00	–	100.00
	Total	3,08,300	100.00	–	3,08,300	100.00	–	100.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change): Refer point No. IV(ii)

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

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Mr. Raj Chopra	Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during The Year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year 01/04/2014	17,359	5.63%	17,359	5.63%
	Sale (18 th June, 2014)	17,359	5.63%	–	–
	At the End of the year 31/03/2015	–	–	–	–
	Ms. Geeta Chopra				
	At the beginning of the year 01/04/2014	30,789	9.99%	30,789	9.99%
	Sale (18 th June, 2014)	30,789	9.99%	–	–
	At the End of the year 31/03/2015	–	–	–	–
	Ms. Priya Chopra				
	At the beginning of the year 01/04/2014	2,60,152	84.38%	2,60,152	84.38%
	Sale (18 th June, 2014)	2,60,152	84.38%	–	–
	At the End of the year 31/03/2015	–	–	–	–

The Company did not require to appoint Key Managerial Personnel.

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 (01/04/2014)				
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 (31/03/2015)				
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: Not Applicable

B. Remuneration to other directors: Nil

C. Remuneration to key managerial personnel other than MD/manager/WTD: Not Applicable

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

ANNEXURE II TO THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2015**Form No. AOC – 2**

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

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

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

(a) Name(s) of the related party Nature of relationship	Mahindra Holidays & Resorts India Limited Holding Company
(b) Nature of contracts/arrangements/transactions	Room Inventory Agreement
(c) Duration of the contracts/arrangements/ transactions	1 year
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Room Inventory to be made available on requisition basis. Period of agreement is one year. Aggregate value paid Rs. 43 lakhs for the FY 2014-15.
(e) Date(s) of approval by the Board, if any:	NA
(f) Amount paid as advances, if any;	Nil

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

For and on behalf of the Board of Directors

Dinesh Shetty
Director

Ajay Agrawal
Director

Place: Chennai

Date: 24th April, 2015

ANNEXURE III TO THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2015**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 energy audits have been initiated to reduce energy consumption.
- (ii) the steps taken by the Company for utilizing alternate sources of energy: Nil
- (iii) the capital investment on energy conservation equipment: Nil

(B) Technology absorption:

- (i) The efforts made towards technology absorption:
The Company has not carried out any Technology absorption
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable
 - (a) The details of technology imported;
 - (b) The year of import;
 - (c) Whether the technology been fully absorbed;
 - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) The expenditure incurred on Research and Development - Not Applicable

(C) Foreign exchange earnings and Outgo:

There were no foreign exchange earnings and outgo during the financial year ended 31st March, 2015. (Refer note no. 23 of the notes of accounts.)

For and on behalf of the Board of Directors

Dinesh Shetty
Director

Ajay Agrawal
Director

Place: Chennai

Date: 24th April, 2015

INDEPENDENT AUDITOR'S REPORT

To the Members of COMPETENT HOTELS PRIVATE LIMITED

We have audited the accompanying standalone Financial Statements of **COMPETENT HOTELS PRIVATE LIMITED ("the company")** which comprises the Balance Sheet as at 31st March, 2015, the Statement of Profit & Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to explanations given to us, the aforesaid standalone financial statements read with the Notes annexed thereto give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2015 issued by the Ministry of Corporate Affairs, Government of India, in terms of Section 143(11) of the Companies Act, 2013, we enclose in the Annexure, a statement on the matters specified in paragraph 3 and 4 of the said order.

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

- a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit.
- b) In our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit & Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- d) In our opinion the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) 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) There are no pending litigations which require disclosure in the aforesaid standalone financial statements.
 - ii) The Company did not have material foreseeable losses on long term contracts and there were no derivative contracts.
 - iii) There are no amounts required to be transferred to the Investor Education and Protection Fund by the company.

For LAMBA VIJ & CO.
Chartered Accountants
FRN: 002520N

Vikash Agarwal
Partner
M. No: 525384

Place : New Delhi
Dated : April 24, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Competent Hotels Private Limited on the accounts for the year ended 31st March 2015)

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) As explained to us, the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventory:
- (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (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 or other parties covered in the Register maintained under Section 189 of the Companies Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and sale of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in such internal control system.
- (v) As explained to us, the company has not accepted any deposits and therefore clause (v) of the order is not applicable.
- (vi) The company is not required to maintain cost records in terms of sub-section (1) of Section 148 of the Companies Act.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities and there were no outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) The Company has no disputed dues of any tax which have not been deposited as on March 31, 2015.
- (c) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year.
- (viii) There are no accumulated losses as at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to any financial institution or bank or debenture holder.
- (x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not obtained any term loan.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For LAMBA VIJ & CO.
Chartered Accountants
FRN: 002520N

Vikash Agarwal
Partner
M. No: 525384

Place : New Delhi
Dated : April 24, 2015

BALANCE SHEET AS AT MARCH 31, 2015

In Rs.

Particulars	Notes	As At March 31, 2015	As At March 31, 2014
I. EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	30,830,000	30,830,000
Reserves and Surplus	3	43,810,078	20,956,293
Non-Current Liabilities			
Other Long Term Liabilities	4	20,000	200,128
Deferred Tax Liabilities (Net)	5	9,869,864	138,291
Long-Term Provisions	6	213,762	-
Current Liabilities			
Trade Payables	7	-	5,584,951
Other Current Liabilities	8	3,596,305	5,330,991
Short-Term Provisions	9	4,140,621	13,456,771
TOTAL EQUITY & LIABILITIES		92,480,630	76,497,425
II. ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible	10	58,941,763	35,681,296
Long term loans and advances	11	11,366,019	18,874,724
Current assets			
Inventories	12	2,770,183	3,000,204
Trade receivables	13	2,940,963	716,510
Cash and Bank Balances	14	12,440,151	10,467,977
Short-term loans and advances	15	3,626,739	6,860,971
Other Current Assets	16	394,812	895,742
TOTAL ASSETS		92,480,630	76,497,425
Significant Accounting Policies	1		

The Accompanying Notes are Integral Part of the Financial Statements
As per our report on even date

For LAMBA VIJ & Co.
Chartered Accountants

For and on behalf of the Board

Ajay Agarwal
Director

Ravindera Nath Khanna
Director

Vikash Agarwal
Partner
Membership No. : 525384
Firm Reg. No.: 002520N
Place: New Delhi
Date: April 24, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

In Rs.

S. No	Particulars	Notes	Year ended March 31, 2015	Year ended March 31, 2014
REVENUE				
I	Revenue from operations.....	17	52,078,889	59,897,221
II	Other Income.....	18	896,332	2,087,807
III	TOTAL REVENUE (I+II)		52,975,221	61,985,028
IV EXPENSES:				
	Cost of Material Consumed	19	9,681,600	8,616,417
	Other Expenses	20	21,076,703	22,870,623
	Employee Benefit Expense	21	9,957,188	10,409,064
	Depreciation and Amortization Expense	10	(25,650,919)	4,708,802
	TOTAL EXPENSES (IV)		15,064,572	46,604,906
V	Profit before exceptional and extraordinary items and tax (III-IV)		37,910,649	15,380,122
VI	Exceptional and Extraordinary Items.....		-	-
IX	Profit before tax (VII-VIII).....		37,910,649	15,380,122
X TAX EXPENSE:				
	Current Tax.....		3,450,000	5,070,000
	Deferred Tax.....		9,731,573	(55,986)
XI	Profit/(Loss) for the period from continuing operations (VII-VIII).....		24,729,076	10,366,108
XII	Profit/(Loss) for the period from discontinuing operations.....		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(Loss) from discontinuing operations (after tax) (XII-XIII).....		-	-
XV	Profit/(Loss) for the period (XI+XIV)		24,729,076	10,366,108
XVI Earning per equity share:				
	(1) Basic		80.21	33.62
	(2) Diluted.....		80.21	33.62
	Significant Accounting Policies	1		

The Accompanying Notes are Integral Part of the Financial Statements

As per our report on even date

For LAMBA VIJ & Co.

Chartered Accountants

For and on behalf of the Board**Ajay Agarwal**
Director**Ravindera Nath Khanna**
Director**Vikash Agarwal**

Partner

Membership No. : 525384

Firm Reg. No.: 002520N

Place: New Delhi

Date: April 24, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Particulars	In Rs.	
	Year ended March 31, 2015	Year ended March 31, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(Loss) before tax	37,910,649	15,380,122
Adjustments for non-cash and other items		
Depreciation.....	(25,650,919)	4,708,802
Tax Adjustments in P&L	–	134,576
Loss/(Profit) on Sale of Fixed Assets.....	2,311,176	(504,434)
Provision for employee benefits.....	707,262	(17,120)
	<u>(22,632,481)</u>	<u>4,321,824</u>
Operating Profit before working capital changes	15,278,168	19,701,946
Changes in:		
Trade and other receivables	1,009,780	(566,676)
Inventories.....	230,020	(574,563)
Other Current Assets.....	500,930	–
Trade and other payables	(7,499,765)	2,597,730
	<u>(5,759,035)</u>	<u>1,456,490</u>
Income taxes paid	(5,070,000)	(5,600,000)
	<u>(5,070,000)</u>	<u>(5,600,000)</u>
Net cash from operating activities [A].....	4,449,133	15,558,436
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(1,821,102)	(1,826,266)
Sale Proceeds of Fixed Assets	25,088	1,500,000
Repayment of Long Term Advances for Land Purchase.....	7,508,705	(7,555,000)
	<u>7,508,705</u>	<u>(7,555,000)</u>
Net cash used in investing activities [B]	5,712,691	(7,881,266)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Dividend and Dividend Tax Paid	(8,189,650)	(9,593,590)
	<u>(8,189,650)</u>	<u>(9,593,590)</u>
Net cash from financing activities [C]	(8,189,650)	(9,593,590)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	1,972,174	(1,916,419)
CASH AND CASH EQUIVALENTS:		
Opening balance.....	10,467,977	12,384,396
Closing balance.....	12,440,151	10,467,977
	<u>1,972,174</u>	<u>(1,916,419)</u>

The Accompanying Notes are Integral Part of the Financial Statements

As per our report on even date

For LAMBA VIJ & Co.

Chartered Accountants

For and on behalf of the Board

Ajay Agarwal
Director

Ravindera Nath Khanna
Director

Vikash Agarwal

Partner

Membership No. : 525384

Firm Reg. No.: 002520N

Place: New Delhi

Date: April 24, 2015

NOTES OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015

1.1 CORPORATE INFORMATION

Competent Hotels Private Limited is a private limited company incorporated on 30th May, 1986, under Companies Act, 1956. The company is engaged in business of Hospitality earns revenue from Room Rentals, Sale of food and beverages and other related guest services.

During the current reporting period, there has been a substantial change in the Shareholding pattern of the company and the management of the company. The management of the resort has been transferred to Club Mahindra from Competent Group of companies and the ownership of the company has been transferred to Mahindra Holidays and Resorts India Limited by way of sale of shares.

1.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation

The Financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India. The Company has prepared these financial statements to comply in all Material respects with the accounting standards specified under Section 133 of the Act and the relevant provisions of Companies Act, 2013. The financial statements have been prepared on accrual basis and under the Historical Cost Convention. The Accounting Policies adopted in the preparation of financial statements are consistent with those of previous year.

B. (i) Fixed Assets

Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the Intended Use. Any Trade Discounts and Rebates are deducted in arriving at the purchase price. Gains or losses arising from de-recognition of fixed assets are measured as difference between the net disposal proceeds and the carrying amount of asset and are recognized in the statement of profit and loss when the asset is recognized.

(ii) Depreciation

In order to follow uniform accounting policy for consolidation of the financials and to be in line with parent company, the company has changed the method of charging depreciation from written down value method to straight line method during the year. Depreciation on fixed assets are now provided on straight line method taking into consideration the useful life prescribed in the schedule II of the Companies Act, 2013.

C. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Amount of Luxury tax, Sales tax, and Service tax collected on generating operating revenue has been shown as a reduction from the operating revenue.

D. Inventories

The Inventories are stated at cost or net realizable value whichever is lower. Cost is determined on Weighted Average Cost Method. Net Realizable value is the estimated price in the ordinary course of business, less estimated cost of completion and costs necessary to make sales.

E. Foreign Exchange Transaction

Transactions in foreign exchange, if any, would be recorded at the exchange rate prevailing on the date of transaction and in pursuant to AS-11 on "Foreign Exchange Translation" issued by ICAI.

F. Provision and Contingencies

Contingent liabilities are estimated on the basis of available information and are disclosed by way of Notes to Accounts. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

G. Impairment of Assets

At each Balance Sheet date the company assesses whether there is any indication that assets may be impaired. If any such indication exists, the company estimates the recoverable amount. If the carrying amount of assets exceeds its recoverable amount, an impairment Loss is recognized in the Accounts to the extent the carrying amount exceeds the recoverable amount.

H. Retirement Benefits

In respect of payment of gratuity to employees, the contributions are being made to approve Group Gratuity Scheme of Life Insurance Corporation of India. The premium and contribution paid during the year has been charged to revenue. The provision for Gratuity is being booked on the basis of Actuarial Valuation in excess of the Fund Value with the Life Insurance Corporation of India.

I. Taxes on Income

Provision for Income tax comprises of current tax, and deferred tax charge or release. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

Tax is recognized, subject to consideration of prudence, on timing differences, being difference between taxable and accounting income/ expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred Tax Assets are not recognized unless there is "Virtual Certainty" that sufficient future taxable income will be available against which such deferred tax assets will be realized.

2. Share Capital

S. No	Particulars	In Rs.	
		As At March 31, 2015	As At March 31, 2014
1	Authorised Share Capital		
	350,000 Equity Shares of Rs. 100/- each (Previous Year 350,000 Equity Shares of Rs. 100/- each)	35,000,000	35,000,000
	150,000 14% Non-cumulative Red. Pref. Share of Rs. 100/-each (Prev. Yr. 1,50,000 14% Non-cum Red Pref. Share of Rs. 100/- Each)	15,000,000	15,000,000
		50,000,000	50,000,000
2	Issued, Subscribed & Paid up Capital		
	308,300 Equity Shares of Rs. 100 each (Previous Year 308,300 Equity Shares of Rs. 100/- each)	30,830,000	30,830,000
	Total	30,830,000	30,830,000

Share Holding Pattern

2.1 Shareholders holding more than 5% shares

S. No	Particulars	In Rs.	
		As At March 31, 2015	As At March 31, 2014
1	Mahindra Holidays and Resorts India Ltd.		
	No. of shares	308,298	-
	% held	100.00%	-
2	Mr. Raj Chopra		
	No. of shares	-	17,359
	% held	-	5.63%
3	Ms. Priya Chopra		
	No. of shares	-	260,152
	% held	-	84.38%
4	Mrs Geeta Chopra		
	No. of shares	-	30,789
	% held	-	9.99%

NOTES OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015

2.2 The reconciliation of the number of shares outstanding is set out below:

S. No	Particulars	In Rs.	
		As At March 31, 2015	As At March 31, 2014
	Equity Shares at the beginning of the year	308,300	308,300
	Add: Shares Issued During the period	-	-
	Equity Shares at the end of period	308,300	308,300

3. Reserves & Surplus

S. No	Particulars	In Rs.	
		As At March 31, 2015	As At March 31, 2014
	Reserves		
1	General Reserves		
	As per last Financial Statements	2,574,256	1,789,256
	Add: Amount Transferred from surplus balance in the Statement of Profit & Loss Account	-	785,000
	Add: Transfer from Capital investment Subsidy	2,173,500	-
	Less: Transfer to Capital Redemption reserves	-	-
	Closing Balance	4,747,756	2,574,256
2	Capital Investment Subsidy	-	2,173,500
3	Depreciation Reserve on account of changes in Schedule II *	(1,875,291)	-
4	Capital Redemption Reserve	14,580,000	14,580,000
	Sub Total (A)	17,452,465	19,327,756
5	Surplus		
	As per last Financial Statements	1,628,537	102,503
	Add: Profit/(Loss) of the current year	24,729,076	10,366,108
	Less: Appropriations		
	- General Reserves	-	785,000
	- Proposed Dividend	-	7,000,000
	- Dividend Tax	-	1,189,650
	- Tax Adjustment of previous Years	-	(134,576)
	- Capital Redemption Reserve	-	-
	Sub Total (B)	26,357,613	1,628,537
	Total [A + B]	43,810,078	20,956,293

* During the Current Reporting period, the method of depreciation has been changed from Written Down Value Method to Straight Line Method in order to match the Accounting Policy of the company with the Accounting Policy of the Holding Company M/s Mahindra Holidays and Resorts India Ltd. The Useful life of assets has been taken as prescribed under the Companies Act, 2013.

Consequent to the change in the method of Depreciation, an amount of Rs. 18,75,291.15 has been debited to Depreciation Reserve on account of changes in Schedule II.

4. Other Long Term Liabilities

S. No	Particulars	In Rs.	
		As At March 31, 2015	As At March 31, 2014
1	Security Deposits		
	Contractors	20,000	200,128
	Total	20,000	200,128

5. Deferred Tax Assets/Liabilities (Net)

S. No	Particulars	In Rs.	
		As At March 31, 2015	As At March 31, 2014
1	Deferred Tax Liabilities		
	Fixed Assets: Impact of difference between tax depreciation and depreciation/amortization charged for Financial Reporting	9,869,864	138,291
	Net Deferred Tax Liability	9,869,864	138,291

6. Long Term Provisions

S. No	Particulars	In Rs.	
		As At March 31, 2015	As At March 31, 2014
1	Provision for Employee Benefits		
	Provision for Leave Encashment	213,762	-
	Total	213,762	-

7. Trade Payables

S. No	Particulars	In Rs.	
		As At March 31, 2015	As At March 31, 2014
1	Trade Payables		
	Micro, Small and Medium Enterprises	-	-
	Others	-	5,584,951
	Total	-	5,584,951

7.1 As at March 31, 2015, the company has no outstanding dues to small-scale industrial undertaking (March 31, 2014 : Nil)

Also, the company is in process of identifying the micro, small and medium enterprises as defined under 'The Micro, Small and Medium Enterprises Development Act, 2006'. However, based on the information so far available with the company in respect of enterprises so identified, there are no delays in the payment of dues to such enterprises.

8. Other Current Liabilities

S. No	Particulars	In Rs.	
		As At March 31, 2015	As At March 31, 2014
1	Advance From Customers	1,427,969	2,262,622
2	Statutory Dues	395,911	1,658,738
3	Expenses Payable	1,772,425	1,409,631
	Total	3,596,305	5,330,991

9. Short Term Provisions

S. No	Particulars	In Rs.	
		As At March 31, 2015	As At March 31, 2014
	Provisions		
1	For Employees Benefits	690,621	197,121
2	Proposed Dividend	-	7,000,000
3	Dividend Distribution Tax	-	1,189,650
4	Provision for Income Tax	3,450,000	5,070,000
	Total	4,140,621	13,456,771

NOTES OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015

10. Fixed Assets

In Rs.

Particulars	GROSS BLOCK				DEPRECIATION						NET BLOCK	
	As At April 1, 2014	Additions	Sale	As At March 31, 2015	Up To April 1, 2014	Adjustment on account of change in method of Dep.	Amount to be transferred to Reserve	For the period	Dep. On Assets Sold	Up To March 31, 2015	As At March 31, 2015	As At March 31, 2014
(A) TANGIBLE ASSETS												
Land*	2,578,150	-	-	2,578,150	-	-	-	-	-	-	2,578,150	2,578,150
Building Hotel	58,171,049	-	-	58,171,049	39,859,577	(26,781,749)	-	969,517		14,047,346	44,123,703	18,311,472
Building Staff Accomo.	4,748,219	-	-	4,748,219	2,836,626	(1,332,156)	-	79,137		1,583,607	3,164,612	1,911,593
Plant & Machinery	33,560,089	391,000	3,335,291	30,615,798	22,883,808	102,813	1,533,380	1,477,855	999,027	24,998,830	5,616,968	10,676,281
Furniture & Fixtures	18,244,269	-	-	18,244,269	16,220,490	(892,572)	327,398	552,387		16,207,703	2,036,566	2,023,779
Office Equipments	34,457	-	-	34,457	30,627	-	3,830	-		34,457	0	3,829
Computer	2,229,924	1,430,102	-	3,660,026	2,220,659	-	9,265	210,651		2,440,575	1,219,451	9,265
Vehicles	685,760	-	-	685,760	518,832	(107,036)	1,418	70,234		483,447	202,313	166,928
(B) INTANGIBLE ASSETS	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL (Rs) (A+B)	120,251,917	1,821,102	3,335,291	118,737,728	84,570,620	(29,010,700)	1,875,291	3,359,781	999,027	59,795,965	58,941,763	35,681,296
Figures for Previous Year	126,005,830	1,826,266	7,580,179	120,251,917	86,446,430	-	-	4,708,802	6,584,612	84,570,620	35,681,296	39,559,399

* The Land includes certain lands which are in possession of the company and over which the company has some builtup area. However the related title deeds are pending to be transferred in favour of the company and for which the company has applied for requisite permission to the government for transfer of lands in favour of the company.

Depreciation and amortisation relating to continuing operations:

Particulars	March 31, 2015
Depreciation and amortisation for the year on tangible assets	(25,650,919)
Depreciation and amortisation for the year on intangible assets	-
Less: Utilised from revaluation reserve	-
Depreciation and amortisation relating to discounting operations	-
Depreciation and amortisation relating to continuing operations	(25,650,919)

NOTES OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015

11. Long Term Loans and Advances

S. No	Particulars	In Rs.	
		As At March 31, 2015	As At March 31, 2014
1	Capital Advances		
	Advance for purchase of Additional Land at Manali*	10,960,000	10,910,000
	Advance for booking of cottages at Mussorrie	-	7,500,000
2	Security Deposit		
	Security Deposit	406,019	464,724
	Total	11,366,019	18,874,724

* The capital advances represents an advance for purchase of additional land for the Hotel in Manali. The Company has applied for requisite permission to the government for registration of the above land.

12. Inventories

S. No	Particulars	In Rs.	
		As At March 31, 2015	As At March 31, 2014
1	House Keeping, Stationery, Crockery & Engg.	2,472,752	2,542,407
2	Kitchen Supplies	120,075	198,949
3	Beverages & Smoke	132,265	214,160
4	Diesel & Fuel	45,091	44,688
	Total	2,770,183	3,000,204

13. Trade Receivables

S. No	Particulars	In Rs.	
		As At March 31, 2015	As At March 31, 2014
	Unsecured and Considered Good		
1	Outstanding for more than six months	9,270	278,648
2	Others*	2,931,693	437,862
	Total	2,940,963	716,510

* Other trade receivable includes an amount of Rs. 2,363,654 receivable from Holding Company M/s Mahindra Holidays and Resorts India Limited.

14. Cash & Bank Balances

S. No	Particulars	In Rs.	
		As At March 31, 2015	As At March 31, 2014
1	Cash & Cash Equivalents		
	Cash in Hand	26,801	21,921
	Balances with banks		
	- Current Accounts	4,413,350	6,446,056
	- Deposit Accounts	5,000,000	-
2	Other Bank Balances		
	- Deposits with Original Maturity for more than 3 Months but less than 12 Months	3,000,000	4,000,000
	Total	12,440,151	10,467,977

15. Short Terms Loans and Advances

S. No	Particulars	In Rs.	
		As At March 31, 2015	As At March 31, 2014
1	Other Advances		
	Advance Taxes (Including Tax Deducted at Source)	3,626,739	5,354,771
	Advance Recoverable in Cash or kind for value to be received	-	1,500,000
	Staff Advances	-	6,200
	Total	3,626,739	6,860,971

16. Other Current Assets

S. No	Particulars	In Rs.	
		As At March 31, 2015	As At March 31, 2014
1	Prepaid Expenses	386,375	633,323
2	Accrued Interest	8,437	262,419
	Total	394,812	895,742

17. Revenue from Operations

S. No	Particulars	In Rs.	
		Year ended March 31, 2015	Year ended March 31, 2014
1	Services	32,673,298	36,010,462
2	Sales	19,405,591	23,886,759
	Total	52,078,889	59,897,221

17.1 Detail of Services

S. No	Particulars	In Rs.	
		Year ended March 31, 2015	Year ended March 31, 2014
1	Room Rent	27,722,449	35,550,728
2	Fitness Center & Beauty Parlour	495,733	314,159
3	Laundry	108,866	145,575
4	Lease Rent Received	4,346,250	-
	Total	32,673,298	36,010,462

17.2 Detail of sale

S. No	Particulars	In Rs.	
		Year ended March 31, 2015	Year ended March 31, 2014
1	Food	18,555,042	22,853,428
2	Beverage, Soft Drinks and Smokes	850,549	1,033,331
	Total	19,405,591	23,886,759

18. Other Income

S. No	Particulars	In Rs.	
		Year ended March 31, 2015	Year ended March 31, 2014
1	Interest on FDR's	200,796	445,769
2	Other Non Operating Income	695,536	627,904
3	Profit on Sale of Fixed Assets	-	504,434
4	Balances Written Back	-	509,700
	Total	896,332	2,087,807

19. Cost of Material Consumed

S. No	Particulars	In Rs.	
		Year ended March 31, 2015	Year ended March 31, 2014
1	Food & Kitchen Provisions	4,534,417	4,372,158
2	Beverage, Soft Drinks & Smoke Consumed	354,024	554,025
3	Other Consumptions	4,793,159	3,690,234
	Total	9,681,600	8,616,417

NOTES OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015

20. Other Expenses

S. No	Particulars	In Rs.	
		Year ended March 31, 2015	Year ended March 31, 2014
A	Operating Expenses		
1	Electricity and Water	3,435,490	3,810,534
2	Gas and Fuel	1,377,446	1,374,582
3	Laundry Expenses	352,519	386,736
4	Audio, Video & Musical Show	971,449	906,261
5	Royalty	653,815	1,722,752
6	Maintenance Supplies	459,626	414,882
7	Telephone Expenses	162,189	266,907
8	Guest Relation Expenses	191,504	82,397
9	Travel Agent Commission	3,817,130	3,584,682
10	Health Club Expenses	63,948	55,547
11	Other Expenses	172,253	188,138
12	Discount	-	-
13	Freight & Cartage	138,817	94,143
	Sub Total (A)	11,796,184	12,887,561
B	Other Expenses		
1	Printing and Stationery	862,912	433,288
2	Advertisement	1,136,851	3,242,286
3	Insurance	474,695	557,790
4	Communication Expenses	10,740	38,717
5	Travelling Expenses	590,605	491,529
6	Conveyance	241,379	719,032
7	Legal & Professional Charges	412,556	918,430
8	Repair & Maintenance: Building	892,933	777,937
	Plant & Mach.	560,763	503,139
	Others	133,520	517,725
9	Auditors' Remuneration (Refer Note 22)	325,039	52,352
10	Marketing and Reservation Expenses	679,577	1,076,969
11	Loss on sale of fixed Assets	2,311,176	-
12	Miscellaneous Expenses	373,155	208,493
13	Bank Charges	274,618	374,880
14	Balances Written Off	-	71,654
15	Foreign Exchange Fluctuation	-	(1,158)
	Sub Total (B)	9,280,519	9,983,063
	Grand Total (A+B)	21,076,703	22,870,623

21. Employee Benefit Expense

S. No	Particulars	In Rs.	
		Year ended March 31, 2015	Year ended March 31, 2014
1	Salaries	8,189,995	8,334,391
2	Contribution to Provident Funds & Other heads	497,459	417,023
3	Staff welfare	1,269,734	1,657,650
	Total	9,957,188	10,409,064

22. Auditors Remuneration

S. No	Particulars	In Rs.	
		Year ended March 31, 2015	Year ended March 31, 2014
1	Audit Fees	224,720	35,956
2	Tax Audit Fees	56,180	11,236
3	Out of Pocket Expenses	10,431	5,160
4	Professional services	33,708	-
	Total	325,039	52,352

23. Foreign Exchange Earning and Expenditures

S. No	Particulars	In Rs.	
		Year ended March 31, 2015	Year ended March 31, 2014
1	Earnings	-	1,773,937
2	Expenditures		
	- Royalty & Related Payments	1,233,461	2,780,489
	- Others	-	-

24. As per Accounting Standard 18 'Related Party Disclosure', the required information is given below:

1. Detail of Related Parties

a)	Mr. Dinesh Shivanna Shetty	Additional Director
b)	Mr. Ravindra Nath Khanna	Additional Director
c)	Mr. Ajay Agarwal	Additional Director
d)	M/s Mahindra Holidays and Resorts India Ltd (MHRIL)	Holding Company

2. Detail of transactions with related parties is as follows:

S. No	Nature of Transaction	Transactions Placed with	Amount (Rs.)
1	Income from Room Rental	MHRIL	4,346,250
2	Salaries paid by related party on behalf of the company	MHRIL	979,975
3	Amounts paid by related party to/on behalf of the company	MHRIL	5,258,812
4	Credit Card payments received by related party on behalf of the company	MHRIL	5,805,934
5	Amount debited by Company to related party towards booking	MHRIL	74,293

3. Closing Balances of Related Parties

S. No	Particulars	Related Party	Amount (Rs.)
1	Short Term Loans and Advances	MHRIL	2,363,655

25. Employee Benefits

- A. Employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the Regional Provident Fund equal to a specified percentage of the covered employee's salary. Contributions to the provident fund, which is a defined contribution scheme, are charged to the profit and loss account in the year in which the contributions are incurred.
- B. The company provides for gratuity in accordance with the Payment of Gratuity Act, 1972, a defined benefit retirement plan (the Plan) covering all regular employees. The liability of Gratuity has been covered under the Group Gratuity Insurance Plan with Life Insurance Corporation of India. Provision for Gratuity has been booked by the company on the basis of actuarial valuation of Gratuity in excess of the Fund value with Life Insurance Corporation of India.

NOTES OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	In Rs.
	As at March 31, 2015
Present value of commitment	1,392,539
Fair value of plan assets	1,138,483
Net liability recognised in the balance sheet	254,056

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions, which if changed, would affect the defined benefit commitment's size, funding requirements and pension expense.

Particulars	As at March 31, 2015
	Rate for discounting liabilities
Expected salary increase rate	5.00%
Expected return on scheme assets	-
Withdrawal rates	3%
Mortality table used	IALM (2006-08) Unit

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is actuarially determined.

Particulars	In Rs. As at March 31, 2015
	Present value of commitment
Fair value of the Plans	-
Surplus/(Deficit)	-
Experience adjustment on plan liabilities	115,437
Experience adjustment on plan assets	-

- C. As per the current employment policy of the company, employees can carry forward accumulated leave balances as per company's leave policy which can be utilized in the subsequent years. Leave encashment costs, which are defined benefits, are based on actuarial valuations on projected unit credit method made at the balance sheet date. The Actuarial assumptions used for calculating the Leave encashment liability of the company are:

Retirement Age	58 years	
Mortality Rate	IALM (2006-08) Ultimate Mortality Table	
Withdrawal Rate	Ages 18-30	3.00 % per annum
	Ages 31-44	2.00 % per annum
	Ages 45-58	1.00 % per annum
	Discount Rate	8.00 % per annum
Salary Escalation Rate	5.00 % per annum	

26. During the Current Reporting period, the method of depreciation has been changed from Written Down Value Method to Straight Line Method in order to match the Accounting Policy of the company with the Accounting Policy of the Holding Company M/s Mahindra Holidays and Resorts India Ltd. The Useful life of assets has been taken as prescribed under the Companies Act, 2013. Consequently, an amount of Rs. 29,010,700 has been credited to the Statement of Profit and Loss, being the difference between the depreciation as per the Straight Line Method and Depreciation as per the Written Down Value Method. Therefore the Profits for the Current year has been overstated by Rs. 29,010,700.
27. Provision for Taxation is made on the basis of estimated taxable income computed in accordance with the relevant Income Tax Laws.
28. Outstanding Balances as at March 31, 2015 in respect of Sundry Debtors, Creditors and Loans & Advances are Subject to Confirmation and Reconciliation
29. Previous year figures are regrouped, rearranged and reclassified wherever deemed necessary in order to make them comparable with the current year figures.

As per our report on even date

For LAMBA VIJ & Co.

Chartered Accountants

Ajay Agarwal	Ravindera Nath Khanna
Director	Director

Vikash Agarwal

Partner

Membership No. : 525384

Firm Reg. No.: 002520N

Place: New Delhi

Date: April 24, 2015

CORPORATE DATA

DIRECTORS	:	Zakir Hussein Niamut	Appointed on 26 June 2014
		Teemulsingh Luchowa	26 June 2014
		Dinesh Shivanna Shetty	26 June 2014
ADMINISTRATOR, SECRETARY & MAURITIAN TAX AGENT	:	International Financial Services Limited IFS Court TwentyEight Cybercity Ebene Republic of Mauritius	
REGISTERED OFFICE	:	IFS Court TwentyEight Cybercity Ebene Republic of Mauritius	
AUDITORS	:	Grant Thornton Ebene Tower 52 Cybercity Ebene Republic of Mauritius	
BANKER	:	HSBC Bank (Mauritius) Limited 6 th Floor, HSBC Centre 18, Cybercity Ebene Republic of Mauritius	

COMMENTARY OF THE DIRECTORS FROM THE PERIOD FROM 26 JUNE 2014 (DATE OF INCORPORATION) TO 31 MARCH 2015

The Directors present the audited financial statements of MHR Holdings (Mauritius) Ltd, the “Company”, for the period from 26 June 2014 (Date of Incorporation) to 31 March 2015.

PRINCIPAL ACTIVITY

The principal activity of the Company is to hold investments.

RESULTS

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

DIRECTORS

The present membership of the Board is set out in this Report.

STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements are prepared in accordance

with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act, 2001 for Companies holding a Category 1 Global Business Licence and in compliance with the requirements of the Mauritius Companies Act, 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

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

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

We certify, to the best of our knowledge and belief, that we have filed with the registrar of Companies all such returns as are required of MHR Holdings (Mauritius) Ltd. under the Mauritius Companies Act, 2001 for the period ended 31 March, 2015.

For International Financial Services Limited

Sd/-
Secretary

Registered Office:
IFS Court
Twenty Eight
Cyber City
Ebene
Republic of Mauritius

Date: 30 April 2015

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

Report on the Financial Statements

We have audited the accompanying financial statements of MHR Holdings (Mauritius) Ltd, the "Company", which comprise the statement of financial position as at 31 March 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibilities for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Category 1 Global Business Licence and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements on pages 888 to 897 give a true and fair view of the financial position of the Company as at 31 March 2015, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Category 1 Global Business Licence and the requirements of the Mauritius Companies Act 2001.

Report on Other Legal and Regulatory Requirements

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

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

Other Matters

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

Grant Thornton
Chartered Accountants

K RAMCHURUN, FCCA
Licensed by FRC

Date: 30 April 2015

Ebene, Republic of Mauritius

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 26 JUNE 2014 (DATE OF INCORPORATION) TO 31 MARCH 2015**

	Notes	For the period from 26/06/14 to 31/3/2015	For the period from 26/06/14 to 31/3/2015
		EUR	INR
INCOME			
Interest income	10	97,093	6,568,827
Total Income		97,093	6,568,827
EXPENDITURE			
Interest Expense	11	195,350	13,216,404
Professional fees	12	55,821	3,776,570
Audit fees		4,000	270,620
Bank charges		1,424	96,341
Licence fees		372	25,168
Total Expenses		256,967	17,385,102
Loss before tax		(159,874)	(10,816,275)
Tax Expense	8	-	-
Loss for the period		(159,874)	(10,816,275)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be classified subsequently to profit or loss		-	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(159,874)	(10,816,275)

The Notes form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Notes	As at 31st March 15 EUR	As at 31st March 15 INR
ASSETS			
Non-Current Assets			
Investment in subsidiary.....	9	7,182,500	485,932,038
Loans.....	10	3,711,920	251,129,948
		<u>10,894,420</u>	<u>737,061,985</u>
Current Assets			
Prepayments.....		1,287	87,072
Cash and cash equivalents.....		58,147	3,933,935
		<u>59,434</u>	<u>4,021,007</u>
TOTAL ASSETS		<u><u>10,953,854</u></u>	<u><u>741,082,992</u></u>
EQUITY AND LIABILITIES			
Equity			
Stated capital.....	13	145,000	9,809,975
Loss for the period		(159,874)	(10,816,275)
Total Equity		<u>(14,874)</u>	<u>(1,006,300)</u>
Liabilities			
Non-current liabilities			
Borrowings.....	11	10,850,000	734,056,750
		<u>10,850,000</u>	<u>734,056,750</u>
Current Liabilities			
Borrowings.....	11	74,562	5,044,492
Accruals		44,166	2,988,051
		<u>118,728</u>	<u>8,032,543</u>
Total Liabilities.....		<u>10,968,728</u>	<u>742,089,293</u>
TOTAL EQUITY AND LIABILITIES		<u><u>10,953,854</u></u>	<u><u>741,082,992</u></u>

Approved by the Board of Directors on 30 April 2015 and signed on its behalf by:

Director

Director

The Notes form an integral part of these Financial Statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 26 JUNE 2014 (DATE OF INCORPORATION) TO 31 MARCH 2015**

	<u>Stated capital</u>	<u>Loss for the period</u>	<u>Total</u>
	EUR	EUR	EUR
Issue of shares	145,000	-	145,000
Transactions with the shareholder	145,000	-	145,000
Loss for the period	-	(159,874)	(159,874)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(159,874)	(159,874)
Balance at 31 March 2015	<u>145,000</u>	<u>(159,874)</u>	<u>(14,874)</u>

	<u>Stated capital</u>	<u>Loss for the period</u>	<u>Total</u>
	INR	INR	INR
Issue of shares	9,809,975	-	9,809,975
Transactions with the shareholder	9,809,975	-	9,809,975
Loss for the period	-	(10,816,275)	(10,816,275)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(10,816,275)	(10,816,275)
Balance at 31 March 2015	<u>9,809,975</u>	<u>(10,816,275)</u>	<u>(1,006,300)</u>

The Notes form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 26 JUNE 2014 (DATE OF INCORPORATION) TO 31 MARCH 2015

	2015	2015
	EUR	INR
Operating activities		
Loss before tax	(159,874)	(10,816,275)
<i>Adjustments for:</i>		
Interest income	(97,093)	(6,568,827)
Interest expense	195,350	13,216,404
	<u>(61,617)</u>	<u>(4,168,698)</u>
<i>Changes in working capital:</i>		
Increase in prepayments	(1,287)	(87,072)
Increase in accruals	44,166	2,988,051
Net cash used in operations	<u>42,879</u>	<u>2,900,979</u>
Interest received	69,173	4,679,899
Interest paid	(120,788)	(8,171,912)
Net cash used in operating activities	<u>(8,736)</u>	<u>(591,034)</u>
Investing activities		
Investments in subsidiary	7,182,500	485,932,038
Net cash used in investing activities	<u>(7,182,500)</u>	<u>485,932,038</u>
Financing activities		
Loans from bank	10,850,000	734,056,750
Proceeds from issue of shares	145,000	9,809,975
Loans to subsidiary	(3,800,000)	(257,089,000)
Loans repaid by subsidiary	116,000	7,847,980
Net cash from financing activities	<u>7,311,000</u>	<u>494,625,705</u>
Net change in cash and cash equivalents and as at 31 March 2015	<u>58,147</u>	<u>3,933,935</u>
Cash and cash equivalents made up of:		
Cash at bank	<u>58,147</u>	<u>3,933,935</u>

The Notes form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 26 JUNE 2014 (DATE OF INCORPORATION) TO 31 MARCH 2015

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

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

The principal activity of the Company is to hold investments.

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

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

2.1 New and revised standards that are effective for the period beginning on 26 June 2014

In the current period, the following new and revised standards issued by the International Accounting Standards Board ("IASB") are mandatory for the first time for the financial period beginning on 26 June 2014:

IAS 32	Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
IFRS 10, 12 and IAS 27	Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
IFRIC 21	Levies
IAS 36	Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)
IAS 39	Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)

The directors have assessed the impact of these revised standards and amendments and concluded that none of these have an impact on the disclosure of these financial statements.

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

At the date of authorisation of these financial statements, certain new Standards, Amendments and Interpretations to existing Standards have been published by the IASB but not yet effective, and have not been adopted early by the Company.

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

IAS 19	Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)
IFRS 16 and IAS 41	Agriculture: Bearer plants (Amendments to IAS 16 and IAS 41)
IAS 27	Equity Method in Separate Financial Statements (Amendments to IAS 27)
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
IFRS 11	Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)

IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)
IAS 1	Disclosure Initiative (Amendments to IAS 1 Presentation of Financial Statements)
IFRS 9	Financial Instruments (2014)
Various	Annual Improvements to IFRSs 2010-2012, 2011-2013 and 2012-2014 cycles

3 SUMMARY OF ACCOUNTING POLICIES

3.1 Overall considerations

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

3.2 Revenue

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

3.3 Expenses

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

3.4 Taxation

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

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

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

3.5 Financial instruments

Recognition, initial measurement and derecognition

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

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

Classification and subsequent measurement of financial assets

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

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

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents and loans fall into this category of financial instruments.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities consist of borrowings and accruals.

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

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

Offsetting financial instruments

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

3.6 Consolidated financial statements

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

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

3.7 Investment in subsidiary

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

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

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

3.8 Cash and cash equivalents

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

3.9 Equity

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

Loss for the period includes current period results as disclosed in the statement of comprehensive income.

3.10 Provisions

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

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

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

3.11 Related parties

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

3.12 Foreign currency translation

Functional and presentation currency

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

Foreign currency transactions and balances

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

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

3.13 Impairment of assets

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

3.14 Borrowings

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

Fees paid on loan facilities are recognised as transaction costs.

3.15 Set up costs

Set up costs are written off in the period in which they arise.

3.16 Comparatives

No comparatives figures are presented as it is the first financial statements since the Company's incorporation date.

4 SIGNIFICANT MANAGEMENT JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

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

Significant management judgement

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

Determination of functional currency

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

Estimation uncertainty

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

Impairment of investments in subsidiary

In assessing impairment, management estimates the recoverable amount of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. The directors have assessed the recoverable amount of the investments and confirmed that the carrying amounts have not suffered any impairment in value at the reporting date.

Impairment of loans to subsidiary

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

5 FINANCIAL INSTRUMENT RISK**Risk management objectives and policies**

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

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

	2015	2015
	EUR	INR
Financial assets		
<i>Loans and receivables:</i>		
Non-current		
Loans	3,711,920	251,129,948
Current		
Cash and cash equivalents	58,147	3,933,935
Total financial assets	3,770,067	255,063,883
Financial liabilities		
<i>Financial liabilities measured at amortised cost:</i>		
Non-current		
Borrowings	10,850,000	734,056,750
Current		
Borrowings	74,562	5,044,492
Accruals	44,166	2,988,051
	118,728	8,032,543
Total financial liabilities	10,968,728	742,089,293

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

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

5.1 Market risk analysis

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

(i) Foreign currency sensitivity

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

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

	Financial assets 2015	Financial assets 2015	Financial liabilities 2015	Financial liabilities 2015
	EUR	INR	EUR	INR
Long term exposure				
Euro (EUR)	3,711,920	251,129,948	10,850,000	734,056,750
Short term exposure				
Euro (EUR)	58,147	3,933,935	74,562	5,044,492
United States Dollar (USD)	-	-	44,166	2,988,051
	3,770,067	255,063,883	10,968,728	742,089,293

(ii) Interest rate sensitivity

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

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

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

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

The Company's interest rate risk arises principally from the bank borrowings from HSBC Bank (Mauritius) Limited which are at variable interest rates. The Company manages its Cash flow interest rate risk by using floating to fixed rate swaps. Such interest swaps have the economic effect of converting borrowings from floating rates to fixed rates.

Loans from HSBC Bank (Mauritius) Limited

The Company has taken the following loans from HSBC Bank (Mauritius) Limited.

Loan of EUR 6,850,000 (INR 463,436,750)

The bank loan of EUR 6,850,000 (INR 463,436,750) from HSBC Bank (Mauritius) Limited bears interest at Fixed EUR Interest Rate Swap ("IRS") 5 year plus a margin of 2.75% per annum on fixed basis (Note 11 (ii) to these financial statements). The all-inclusive rate of interest is fixed at 3.45%. The loan is repayable at the end of 5 years with an option to repay on any interest reset date. The interest is payable at the end of every 6 months. Since the Interest Rate is fixed, the Company is therefore not exposed to interest rate risk on this loan.

Loan of EUR 4,000,000 (INR 270,620,000)

The bank loan of EUR 4,000,000 (INR 270,620,000) from HSBC Bank (Mauritius) Limited carries interest at EURIBOR 6 months plus Margin of 1.95% on floating basis (Note 11 (ii) to these financial statements). The loan is repayable at the end of 5 years with an option to repay on any interest reset date. The interest is payable at the end of every 6 months. This is a floating rate loan and the interest risk is covered with an IRS.

Such interest rate swap has the economic effect of converting borrowings from floating rate to fixed rate and protecting the Company from potential future interest rate hike. Therefore the Company is not affected with interest rate fluctuations.

5.2 Credit risk analysis

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

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

	2015	2015
	EUR	INR
ASSETS		
Non-current		
Loans	3,711,920	251,129,948
Current assets		
Cash and cash equivalents	58,147	3,933,935
	<u>3,770,067</u>	<u>255,063,883</u>

- (i) The Company has given loans to its subsidiary, which are unsecured, carry interest at 4% per annum and receivable in two years time. Since the loans are contractual, the directors consider that no credit risk is associated with these loans.
- (ii) The credit risk for the bank balance is considered negligible, since the counterparty is a reputable bank with high quality external credit ratings.
- (iii) The carrying amounts disclosed above are the Company's maximum possible credit risk exposure in relation to these instruments.
- (iv) The loans to subsidiary are secured against an Unconditional and Irrevocable Corporate Guarantee from Mahindra Holidays and Resorts India Limited, the parent company.

5.3 Liquidity risk analysis

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

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

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

	Less than 1 year	Less than 1 year	More than 1 year	More than 1 year
	EUR	INR	EUR	INR
Borrowings	74,562	5,044,492	10,850,000	734,056,750
Accruals	44,166	2,988,051	-	-
Total	<u>118,728</u>	<u>8,032,543</u>	<u>10,850,000</u>	<u>734,056,750</u>

6 FAIR VALUE MEASUREMENT**6.1 Fair value measurement of financial instruments**

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

6.2 Fair value measurement of non-financial instruments

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

7 CAPITAL MANAGEMENT POLICIES AND PROCEDURES

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

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

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital.

At 31 March 2015, the Company was fully geared since it relies on external borrowings to finance its operations.

8 TAXATION**(i) Income tax**

Under current laws and regulations, the Company is liable to pay income tax on its net income at a rate of 15%. The Company is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of Mauritius tax payable in respect of its foreign source income, thus reducing its maximum effective tax rate to 3%. Capital gains from sales of units and securities are exempt from income tax in the Republic of Mauritius.

The Company has received tax residence certificates from the Mauritian authorities that it is a tax resident of the Republic of Mauritius, which is renewable on an annual basis subject to meeting certain conditions and which is eligible to obtain benefits under the double tax treaty between the Republic of Mauritius and the Republic of India.

At 31 March 2015, the Company has a tax loss of EUR 123,295 (INR 8,341,523) which will be carried forward and available for set off against future taxable profit up to the year ending 31 March 2020.

The foregoing is based on current interpretation and practice and is subject to any future changes in tax laws and in the double tax treaty between the Republic of India and the Republic of Mauritius.

(ii) Deferred tax

Deferred income tax is calculated on all temporary differences under the liability method at the rate of 3%. At 31 March 2015, no deferred tax has been recognised in respect of the tax losses carried forward as it is not probable that taxable profit will be available in the foreseeable future.

(iii) Income tax reconciliation

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

	2015	2015
	EUR	INR
Loss for the period	(159,874)	(10,816,275)
Tax calculated at the rate of 3%	(4,796)	(324,473)
Non-allowable expenses	1,097	74,218
Deferred tax asset not recognised	3,699	250,256
Tax expense	-	-

9 INVESTMENTS IN SUBSIDIARY

	2015	2015
	EUR	INR
(i) Unquoted investment at cost:		
Acquisition of equity shares during the period	17,500	1,183,963
Funds contributed during the period	7,165,000	484,748,075
At 31 March 2015	<u>7,182,500</u>	<u>485,932,038</u>

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

Name of investee company	Country of Incorporation	Type of investments	Number of shares	Cost 2015	Cost 2015
				EUR	INR
Covington S.à.r.l	Luxembourg	Equity	12,500	17,500	1,183,963
Covington S.à.r.l	Luxembourg	Non-equity	12,500	7,165,000	484,748,075
				<u>7,182,500</u>	<u>485,932,038</u>

(iii) Pursuant to a Share Sale and Purchase Agreement dated 17 July 2014 between the Company (the "Purchaser") and D.LAW (the "Seller"), the Company purchased 12,500 shares without nominal value corresponding to 100% of the share capital of Covington S.à.r.l, a private limited company incorporated in Luxembourg, from the Seller for a total consideration of EUR 17,500 (INR 1,183,963).

(iv) Pursuant to Contribution Agreements dated 31 July 2014 and 10 November 2014 between the Company (the "Contributor") and Covington S.à.r.l (the "Receiver"), the Contributor granted EUR 3,165,000 (INR 214,128,075) and EUR 4,000,000 (INR 270,620,000) respectively to the Receiver.

(v) The directors have assessed the recoverable amount of the investments (equity and non-equity) and confirmed that the carrying amount of these investments have not suffered any impairment in value at the reporting date.

(vi) The Company has 100% shareholding in Covington S.à.r.l and is therefore considered as the Company's subsidiary since it has control over the subsidiary through its 100% voting rights. The Company holds a Category 1 Global Business Licence issued by the Financial Services Commission and has therefore taken advantage of Section 12 of Part 1 of the Fourteenth Schedule of the Mauritius Companies Act 2001 which dispenses it from presenting consolidated financial statements as it is a wholly-owned subsidiary of a company incorporated in the Republic of India.

(vii) The non-equity investment in Covington S.à.r.l represents funds invested as "capital contribution" and settlement is not likely within one year. Repayment would be agreed between the Company and its investee company.

10 LOANS

	2015	2015
	EUR	INR
<i>Loans to subsidiary:</i>		
Non-current		
Principal amounts	3,684,000	249,241,020
Interest receivable	27,920	1,888,928
Total	<u>3,711,920</u>	<u>251,129,948</u>

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

	2015	2015
	EUR	INR
Loans granted during the period	3,800,000	257,089,000
Loans repaid during the period	(116,000)	(7,847,980)
Interest income for the period	97,093	6,568,827
Interest received during the period	(69,173)	(4,679,899)
At 31 March	<u>3,711,920</u>	<u>251,129,948</u>

Pursuant to Loan Agreements dated 31 July 2014, 25 August 2014 and 10 September 2014 between the Company (the "Lender") and Covington S.à.r.l (the "Borrower"), the Company advanced funds to the Borrower amounting to EUR 3,500,000 (INR 236,792,500), EUR 200,000 (INR 13,531,000) and EUR 100,000 (INR 6,765,500) respectively bearing interest of 4% per annum and receivable in two years time. During the period under review, part of the principal amounts and interest were repaid.

11 BORROWINGS

	2015	2015
	EUR	INR
Non-current		
Principal amounts	10,850,000	734,056,750
Current		
Interest payable	74,562	5,044,492
Total	<u>10,924,562</u>	<u>739,101,242</u>

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

	2015	2015
	EUR	INR
<i>Loans taken during the period:</i>		
HSBC Bank (Mauritius) Limited	10,850,000	734,056,750
<i>Interest element for the period:</i>		
Interest expense	200,238	13,547,102
Gain on interest rate swap	(4,888)	(330,698)
Interest payment	(120,788)	(8,171,912)
At 31 March	<u>10,924,562</u>	<u>739,101,242</u>

(ii) **Bank loans**

Loan of EUR 6,850,000 (INR 463,436,750)

The Company (the "Borrower") entered into a Facility Agreement with HSBC Bank (Mauritius) Limited ("the Lender") on 31 July 2014 whereby the loan is repayable on 04 August 2019. The loan bears interest at Fixed EUR Interest Rate Swap ("IRS") 5 year plus a margin of 2.75% per annum on fixed basis. The all-inclusive rate of interest is fixed at 3.45%. The loan is repayable at the end of 5 years with an option to repay on any interest reset date. The interest is payable at the end of every 6 months and interest accrued on the loan outstanding at the reporting date amounted to USD 36,762 (INR 2,302,772).

Loan of EUR 4,000,000 (INR 270,620,000)

The Company (the "Borrower") entered into a Facility Agreement with HSBC Bank (Mauritius) Limited (the "Lender") on floating basis. The loan is repayable at the end of 5 years with an option to repay on any interest reset date. The interest is payable at the end of every 6 months and interest accrued on the loan outstanding at the reporting date amounted to USD 37,800 (INR 2,367,792). This is a floating rate loan and the interest risk is covered with an IRS.

The above loans are secured against an Unconditional and Irrevocable Corporate Guarantee from Mahindra Holidays and Resorts India Limited (the "Guarantor"). In that respect, an annual commission of 0.53% on the Corporate Guarantee (EUR 11,200,000 (INR 757,736,000)) should be paid to the Guarantor until the loans are fully repaid. At 31 March 2015, an amount of EUR 33,831 (INR 2,288,836) was charged as commission.

12 PROFESSIONAL FEES

	<u>2015</u>	<u>2015</u>
	<u>EUR</u>	<u>INR</u>
Administration fees and disbursements	16,018	1,083,698
Directors' fees	1,414	95,664
Fees for tax filings	962	65,084
Secretarial fees	848	57,371
Fees for process agent	489	33,083
CDD verification fees	377	25,506
Fees for issue of legal opinion	1,882	127,327
Commissions on Corporate Guarantee (Note 11(ii))	33,831	2,288,836
	<u>55,821</u>	<u>3,776,570</u>

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

14 RELATED PARTY TRANSACTIONS

During the period ended 31 March 2015, the Company had transactions with related parties. The nature, volume of transactions and balances with the related parties are as follows:

Name of companies	Nature of Relationship	Nature of transactions	Volume of transactions	Volume of transactions	Debit/(credit) balances at 31-Mar-15	Debit/(credit) balances at 31-Mar-15
			<u>EUR</u>	<u>INR</u>	<u>EUR</u>	<u>INR</u>
Covington S.à.r.l. (Note 10 (i))	Subsidiary	Loans	3,800,000	257,089,000	3,711,920	251,129,948
Mahindra Holidays and Resorts India Limited (Note 11 (ii))	Holding company	Commission on Corporate Guarantee	33,831	2,288,836	(33,831)	(2,288,836)
International Financial Services Limited	Administrator, Secretary and Mauritius Tax Agent	Administration fees and disbursements	16,018	1,083,698	(6,335)	(428,594)
International Financial Services Limited	Administrator, Secretary and Mauritius Tax Agent	Professional fees	3,224	218,120	1,074	72,661

15 CONTINGENT LIABILITIES

The Company has no litigation claims outstanding, pending or threatened against it, which could have a material adverse effect on the Company's financial position or results as at 31 March 2015.

16 EVENTS AFTER THE REPORTING PERIOD

There have been no events after the reporting date which requires disclosure or adjustment to the 31 March 2015 financial statements.

13 STATED CAPITAL

	<u>2015</u>	<u>2015</u>
	<u>EUR</u>	<u>INR</u>
Issued and paid:		
145,000 Ordinary shares of EUR1 each	<u>145,000</u>	<u>9,809,975</u>

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

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

17 HOLDING COMPANIES

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

- 18** FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 67.655 = EUR 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31st March 2015.

DIRECTORS' REPORT

The following shall constitute a report of the Board of Directors relating to the activities of the Company for the period ended 31st March, 2015.

Your Company became a wholly owned subsidiary of MHR Holdings (Mauritius) Limited, Mauritius (MHR Holdings), from 17th July, 2014, and in turn a wholly owned subsidiary of Mahindra Holidays & Resorts India Limited, a company incorporated in India.

Your Company invested to the extent of 23.3% in the share capital of Holiday Club Resorts Oy, Finland (HCR) during the year under review.

Your Company has availed term loans from RCI and MHR Holdings, for the purpose of investing in equity shares of HCR, during the year. As of 31st March, 2015 the net outstanding is, Euro 6.6 million in respect of RCI and Euro 3.71 million in respect of MHR Holdings.

Mr. Dinesh Shetty, Mr. Ajay Agrawal and Mr. Livio Gambardella (w.e.f. 31st October, 2014) are the Directors of your Company.

During the year under review, Mr. Philippe Salpetier resigned from the Directorship of the Company with effect from 31st October 2014. The Board places on record its sincere appreciation for the valuable services rendered and guidance received from him during his tenure as Director of the Company.

In the opinion of the Board of Directors, the accompanying financial statement together with its notes, annexures, etc., as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015.

For **Covington S.a.r.l**

Dinesh Shetty Director	Ajay Agrawal Director
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Place: Chennai
Dated: 24/04/2015

BALANCE SHEET AS AT MARCH 31, 2015

ASSETS	Notes	As on March 31, 2015 EURO	As on March 31, 2015 INR
FIXED ASSETS			
Financial Fixed Assets	1		
Shares in undertakings with which the company is linked by virtue of participating interests		17,399,297.31	1,177,149,460.00
CURRENT ASSETS			
Cash at bank, cash in postal cheque accounts, cheques and cash in hand...		57,432.28	3,885,581.00
PREPAYMENTS		3,461.90	234,215.00
TOTAL ASSETS		17,460,191.49	1,181,269,255.00
LIABILITIES			
<u>CAPITAL AND RESERVES</u>			
Subscribed Capital		12,500.00	845,688.00
Share premium and similar premiums		7,165,000.00	484,748,075.00
Profit/(loss) brought forward		(4,960.79)	(335,622.00)
Profit/(loss) for the Financial period		(88,351.74)	(5,977,439.00)
		<u>7,084,187.47</u>	<u>479,280,702.00</u>
<u>NON SUBORDINATED DEBTS</u>			
2			
Trade Creditors			
<i>becoming due and payable within one year</i>		48,467.00	3,279,035.00
Tax and Social security debts			
<i>Tax debts</i>		9,680.00	654,901.00
Other Creditors			
<i>becoming due and payable within one year</i>		133,857.02	9,056,097.00
<i>becoming due and payable after more than one year</i>		10,184,000.00	688,998,520.00
		<u>10,376,004.02</u>	<u>701,988,553.00</u>
		17,460,191.49	1,181,269,255.00

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM JULY 17, 2014 TO MARCH 31, 2015

CHARGES	Notes	Period from	Period from
		17/07/2014 to 31/03/2015	17/07/2014 to 31/03/2015
		EURO	INR
Other external charges	3	66,700.20	4,512,603.00
<u>Interest and other financial charges</u>	4		
Other interest and similar financial charges		203,046.34	13,737,101.00
Income Tax		6,420.00	434,345.00
<i>Other taxes not included in the previous caption</i>		10.00	677.00
TOTAL CHARGES		276,176.54	18,684,726.00
INCOME			
<u>Income from financial fixed assets</u>	5		
derived from affiliated undertakings		187,824.80	12,707,287.00
Loss for the financial period		88,351.74	5,977,439.00
TOTAL INCOME		276,176.54	18,684,726.00

NOTES TO THE ACCOUNTS

Note 1 - Financial Fixed Assets

Undertakings in which the company holds interest in their share capital or in which it is a general partner are as follows:

Undertaking's Name	Registered Office	% of holding	in EUR	in INR
			As on March 31, 2015	As on March 31, 2015
Holiday Club Resorts Finland	Finland	22.34%	16,891,468.00	1,142,792,268.00
Holiday Management Oy	Finland	18.70%	507,829.31	34,357,192.00
Total			17,399,297.31	1,177,149,460.00

Note 2 - Non Subordinated Debts

This Caption is detailed as follows:

	in EUR			in INR		
	Within 1 Year	After 1 Year and within 5 Years	Total as on March 31, 2015	Within 1 Year	After 1 Year and within 5 Years	Total as on March 31, 2015
Trade Creditors	48,467.00		48,467.00	3,279,035.00		3,279,035.00
<u>TaxDebts</u>						
Corporate Income tax - estimated tax	9,630.00		9,630.00	651,518.00		651,518.00
Net wealth tax - estimated tax	50.00		50.00	3,383.00		3,383.00
<u>Other Creditors</u>						
Loan from MHR Holdings (Mauritius) Ltd.	27,921.10	3,684,000.00	3,711,921.10	1,889,002.00	249,241,020.00	251,130,022.00
Loan from RCI Europe	105,935.92	6,500,000.00	6,605,935.92	7,167,095.00	439,757,500.00	446,924,595.00
Total	192,004.02	10,184,000.00	10,376,004.02	12,990,033.00	688,998,520.00	701,988,553.00

Note 3 - Other External Charges

This Caption is detailed as follows:

	in EUR	in INR
	Period from 17/07/2014 to 31/03/2015	Period from 17/07/2014 to 31/03/2015
Accounting fees	39,561.83	2,676,556.00
Audit fees	8,750.00	591,981.00
Notary fees	6,093.80	412,276.00
Tax Advisory fees	4,375.00	295,991.00
Domiciliation fees	4,181.33	282,888.00
Bank fees	3,614.04	244,508.00
Legal fees	64.40	4,357.00
Translation fees	59.80	4,046.00
Total	66,700.20	4,512,603.00

Note 4 - Interest and Other Financial Charges

This Caption is detailed as follows:

	Period from 17/07/2014 to 31/03/2015	Period from 17/07/2014 to 31/03/2015
	Interest charge on Loan amounts owed to RCI Europe	105,935.92
Interest charge on Loan amounts owed to MHR Holdings (Mauritius) Ltd.	97,093.68	6,568,873.00
Foreign Exchange Losses	11.60	785.00
Banking Interest on current accounts	5.14	348.00
Total	203,046.34	13,737,101.00

Note 5 - Income from financial fixed assets

This Caption is detailed as follows:

	Period from 17/07/2014 to 31/03/2015	Period from 17/07/2014 to 31/03/2015
	Dividend Income	187,824.80
Total	187,824.80	12,707,287.00

Note 6

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 67.655 = EUR 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31st March 2015.

For Covington S.ar.l

Dinesh Shetty Director
Ajay Agrawal Director

Dated:

Place: