



MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED

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

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POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013 and Rules made thereunder)

Dear Member(s),

Notice is hereby given pursuant to Section 110 and other applicable provisions of the Companies Act, 2013, (the "Act") if any, read together with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, that the Resolutions appended below are proposed to be passed as Special/Ordinary Resolutions by way of Postal Ballot including e-Voting. The Explanatory Statement pertaining to the said Resolutions setting out the material facts concerning each item and the reasons thereof is annexed hereto along with a Postal Ballot form (the "Form") for your consideration. The Board of Directors has appointed Mr. M. Damodaran, Practising Company Secretary, (C.P. No. 5081), as the Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Form, record your assent (for) or dissent (against) therein and return the same in original duly completed in the attached self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer on or before 20th December, 2014.

Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the notes to the Postal Ballot Notice and instructions overleaf the Form.

Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman. The result of the Postal Ballot would be announced by the Chairman or the Managing Director & CEO or the Company Secretary of the Company on Friday, 26th December, 2014 at 5.00 p.m. at the Registered Office of the Company. The said result would be displayed at the Registered Office of the Company, intimated to the Stock Exchanges where the Company's shares are listed and displayed along with the Scrutinizer's report on the Company's website viz. www.clubmahindra.com.

DRAFT RESOLUTIONS:

1. Approval of Employees Stock Option Scheme 2014 & Issue of Securities

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

"RESOLVED THAT pursuant to the provisions of Sections 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Share Capital and Debentures) Rules, 2014 including any statutory modification(s) or re-enactment of the Act, for the time being in force and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto ("the Regulations") and in accordance with the provisions of the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while

granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee), consent of the members of the Company be and is hereby accorded to the Board to introduce and implement the “Mahindra Holidays & Resorts India Limited Employees’ Stock Option Scheme - 2014” (hereinafter referred to as “the Scheme”) the salient features of which are detailed in the Explanatory Statement to this Notice and to create, offer, issue and allot at any time to or for the benefit of employees who are in the permanent employment of the Company whether working in India or out of India, including Directors of the Company whether Whole-time Directors or not, but excluding Promoter, Promoter Group, and Independent Directors, and to such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and regulations prevailing from time to time (all such persons are hereinafter collectively referred to as “Employees”) under the Scheme, such number of equity shares of the Company and/or equity linked instruments [including Options/Warrants (“Options”)] or any other instruments or securities of the Company which could give rise to the issue of equity shares (hereinafter collectively referred to as “Securities”) but not exceeding 20,00,000 (Twenty Lakhs Only) Equity Shares of Rs.10 each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organisation of the capital structure of the Company as may be applicable from time to time), in one or more tranches, at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with the Scheme, the provisions of the law or regulations issued by the relevant authority, as may be prevailing at that time.

FURTHER RESOLVED THAT the Securities may be issued and allotted by the Board either directly to such Employee(s) or in accordance with the Scheme through any appropriate mechanism including Mahindra Holidays & Resorts India Limited Employees’ Stock Option Trust (“the Trust”) or any other entity which may be set up for that purpose.

FURTHER RESOLVED THAT the Scheme may also envisage provisions for providing financial assistance to the Eligible Employees/the Trust/entity to enable them to acquire, purchase or subscribe to the said Securities of the Company in accordance with the provisions of the Act/Regulations.

FURTHER RESOLVED THAT the new equity shares to be issued and allotted in the manner aforesaid shall rank *pari passu* in all respects with the then existing equity shares of the Company.

FURTHER RESOLVED THAT for the purpose of creating, offering, issuing, allotting, and listing of the Securities and/or for the purpose of complying with any Guidelines or Regulations that may be issued from time to time by any appropriate authority, the Board be authorised on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

FURTHER RESOLVED THAT for the purpose of giving effect to this Resolution, the Board be authorised to determine terms and conditions of issue of the Securities and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Shareholders of the Company.

FURTHER RESOLVED THAT the Board be and is hereby authorised to delegate all or any powers conferred herein to Nomination and Remuneration Committee or such other Committees, with power to sub-delegate to any Executives/Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard.”

2. **Approval of extending benefits of Employees Stock Option Scheme – 2014 to the employees of holding/subsidiary/associate company(ies)**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment of the Act (the “Act”), for the time being in force and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, including any modifications thereof or supplements thereto (“the Regulations”) and in accordance with the provisions of the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “the Board” which term shall be deemed to include the Nomination and Remuneration Committee), consent of the members of the Company be and is hereby accorded to the Board to extend the benefits of Mahindra Holidays & Resorts India Limited Employees Stock Option Scheme - 2014 (“the Scheme”) proposed in Resolution No.1 in this Notice to the Employees, whether working in India or out of India and Directors whether Whole-time Directors or not, of the holding/subsidiary/associate company(ies) of the Company unless they are prohibited from participating in the Scheme under any law or regulations for the time being in force, on such terms and conditions as may be decided by the Board.

FURTHER RESOLVED THAT for the purpose of creating, offering, issuing, allotting and listing of the Securities, the Board be authorised on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

FURTHER RESOLVED THAT for the purpose of giving effect to this Resolution, the Board be authorised to determine terms and conditions of issue of the Securities and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Shareholders of the Company.”

3. **Appointment of Ms. Radhika Shastry as an Independent Director**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Radhika Shastry (DIN 01787918), Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing from a Member alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Independent Director, being so eligible, be appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years with effect from the date of declaration of results of this Postal Ballot i.e., 26th December, 2014 up to 25th December, 2019.”

4. **Appointment of Mr. Kavinder Singh as a Director**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, and the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company, Mr. Kavinder Singh, who was appointed as an Additional Director of the

Company by the Board of Directors with effect from 3rd November, 2014 and in respect of whom the Company has received a Notice in writing from a Member alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director of the Company, be and is hereby appointed as an executive director of the Company not liable to retire by rotation.”

5. **Appointment and Remuneration to Mr. Kavinder Singh as a Managing Director & Chief Executive Officer**

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

RESOLVED THAT subject to the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Articles of Association of the Company and subject to such approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities including the Central Government in granting such approvals, permissions and sanctions, approval of the members of the Company be and is hereby accorded to the appointment of Mr. Kavinder Singh, (DIN 06994031) as the Managing Director & Chief Executive Officer (MD & CEO) of the Company for a period of five (5) years with effect from 3rd November, 2014 to 2nd November, 2019 (both days inclusive), on terms and conditions as set out in the Explanatory Statement annexed to the Notice for conduct of the Postal Ballot, with liberty to the Board of Directors (hereinafter referred to the “Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment as it may deem fit and as may be acceptable to Mr. Kavinder Singh, subject to the same not exceeding the limits specified under Section 197 of the Act, read with Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactments thereof.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, Schedule V read with the Companies (Appointment and Qualification of Directors) Rules, 2014 approval of the members of the Company be and is hereby accorded to payment of remuneration to Mr Kavinder Singh as MD & CEO of the Company for a period of three (3) years with effect from 3rd November 2014 up to 2nd November 2017 (both days inclusive) as set out in the Explanatory Statement annexed to the notice for conduct of postal ballot with liberty to the Board of Directors (hereinafter referred to the “Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the remuneration as it may deem fit and as may be acceptable to Mr. Kavinder Singh, subject to the same not exceeding the limits specified under section 197, read with Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactments thereof.

RESOLVED FURTHER THAT notwithstanding anything herein, where in any financial year during the three year period commencing 3rd November, 2014 up to 2nd November, 2017 (both days inclusive), the Company has no profits or its profits are inadequate, the Company may subject to receipt of the requisite approvals including approval of Central Government, if any, pay to the MD & CEO the remuneration by way of salary, perquisites, performance pay, other allowances and benefits as specified in the explanatory statement annexed to the Notice for conduct of the Postal Ballot as the minimum remuneration.

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

6. **Appointment of Mr. V S Parthasarathy as a Director**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 152 and all other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof

for the time being in force), Mr. V S Parthasarathy (DIN 00125299), who was appointed by Board of Directors as an Additional Director of the Company with effect from 27th August, 2014 and who holds office up to the date of next Annual General Meeting of the Company in terms of Section 161 of the Act and in respect of whom the Company has received a Notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, being so eligible, be appointed as a non-executive Director of the Company, liable to retire by rotation.”

By order of the Board of Directors
Mahindra Holidays & Resorts India Limited

DINESH SHETTY
Head Legal & Company Secretary

Registered Office:

Mahindra Towers, 2nd Floor, No. 17/18,
Patullos Road, Chennai – 600 002.
T: 044 39881000 F: 044 30277778
CIN: L55101TN1996PLC036595
E-mail: investors@mahindaholidays.com
Website: www.clubmahindra.com

Mumbai, 10th November, 2014

Notes and Instructions:

1. The Explanatory Statement and reasons for the proposed aforesaid Resolutions under Item Nos. 1 to 6 pursuant to Section 102 of the Companies Act, 2013 read with Section 110 of the Companies Act, 2013 and Rule 22 of the Companies (Management and Administration) Rules, 2014 setting out all material facts and the reasons of the proposed special resolutions are annexed herewith along with the Form for your consideration.
2. Notice is being sent to all the Members, whose names appear on the Register of Members / List of Beneficial Owners as received from National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) as on 14th November, 2014.
3. In compliance of the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Members the facility to exercise their right to vote on the postal ballot through the Electronic Voting (e-voting) Services provided by Karvy Computershare Private Limited. E-voting is available from 9.00 am on 21st November, 2014 to 5:00 pm on 20th December, 2014. Members are requested to refer to instructions for e-voting, appended to this Notice.
4. Members have the option either to vote through the e-voting process or through the postal ballot form. Members who have received the postal ballot Notice by email and who wish to vote through postal ballot form can seek duplicate postal ballot form from M/s. Karvy Computershare Private Limited, Unit: Mahindra Holidays & Resorts India Limited, Plot No. 17 to 24, Vithalrao Nagar, Madhapur, Hyderabad - 500 081, Andhra Pradesh, India, or can download Postal Ballot Form from the <http://www.evoting.karvy.com> or <http://www.clubmahindra.com>, fill in the requisite details and send the same to the Scrutinizer.
5. Resolution passed by the Members by means of Postal Ballot including e-voting is deemed to have been passed at a General Meeting of the Members.
6. Voting in the Postal ballot/e-voting cannot be exercised by a proxy. However, corporate and institutional Members shall be entitled to vote through their authorized representatives. If the Corporate and institutional members vote through their authorised representatives, certified copies of relevant authorization may also be submitted to the Scrutinizer.

7. PROCEDURE AND INSTRUCTIONS FOR E-VOTING

The procedure and instructions for e-voting are as follows:

Open your web browser during the voting period and navigate to ‘<http://evoting.karvy.com>’

Enter the login credentials (i.e., user-id & password) mentioned on the Postal Ballot Form. Your folio/DP Client ID will be your User-ID.

User – ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- • Event no. followed by Folio Number registered with the company
Password	Your Unique password is printed on the Postal Ballot Form / via email forwarded through the electronic notice
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- i) Please contact toll free No. **1-800-34-54-001** for any further clarifications.
- ii) Members can cast their vote online from Friday, 21st November, 2014, 9.00 AM to Saturday, 20th December, 2014, 5.00 PM.
- iii) After entering these details appropriately, click on “LOGIN”.
- iv) Members holding shares in Demat/ Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through **Karvy Computershare Private Limited e-Voting platform**. System will prompt you to change your password and update any contact details like mobile #, email ID etc. on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- v) You need to login again with the new credentials.
- vi) On successful login, system will prompt to select the 'Event' i.e., '**Company Name**'.
- vii) If you are holding shares in Demat form and had logged on to “https://evoting.karvy.com” and casted your vote earlier for any company, then your exiting login id and password are to be used.
- viii) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'
- ix) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- x) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

Corporate/Institutional Members (corporate /FIs/FILs/ FPIs / Trust/Mutual Funds/Banks/ etc.), are required to send scan (PDF format) of the relevant Board Resolution to the Scrutinizer through e-mail to secretarial@mdassociates.co.in with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format “Corporate Name_ Event no.”

8. Shareholders who do not have access to e-voting facility may send their assent or dissent in writing using physical ballot form.

9. Kindly note that the Members can opt only one mode of voting, i.e. either by Physical Ballot or e-Voting. If you are opting for e-Voting, then do not vote by Physical Ballot also and vice versa. However, in case Members cast their vote by Physical Ballot and e-Voting, then voting done through valid e-voting shall prevail and voting done by physical ballot will be treated as invalid.

ANNEXURE TO NOTICE

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

Item Nos. 1 and 2

Employees Stock Options represent a reward system based on performance. They help companies attract retain and motivate the best available talent. This also provides an opportunity to employees to participate in the growth of the company, besides creating long term wealth in their hands. In line with this, the Company has formulated an employees stock option scheme called Mahindra Holidays & Resorts India Limited Employees' Stock Option Scheme in April, 2006 ("the 2006 Scheme")

In order to continue to reward the employees and also the fact that the shares available under the 2006 Scheme being exhausted, the Board of Directors of your Company have decided to introduce new Employee Stock Option Scheme namely "Mahindra Holidays & Resorts India Limited Employees' Stock Option Scheme 2014" ("the Scheme") in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('SEBI Regulations'), issued by SEBI and other applicable laws. The Scheme has been recommended by the Nomination and Remuneration Committee at its meeting held on 27th August, 2014 and approved by the Board of Directors at their Meetings held on 27th August, 2014 and 30th October, 2014.

The Scheme will be operated and administered under the superintendence of the Company's Nomination and Remuneration Committee, which is a Committee of the Board of Director, the majority of whose Members are Independent Directors. The Nomination and Remuneration Committee will formulate the detailed terms and conditions of the Scheme including:

- Number of options to be granted to any Employee, and in the aggregate;
- Terms on which the options will vest;
- The conditions under which options vested in Employees may lapse in case of termination of Employees for misconduct;
- The exercise period within which an Employee should exercise the options, and lapsing of options on failure to exercise the options within the exercise period;
- The specified time period within which the Employee shall exercise the vested options in the event of termination or resignation of the Employee;
- Mechanism for allotment of shares - either directly to employees or through a Trust or other entity which may be setup for this purpose;
- The right of an Employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
- The grant, vesting and exercise of options in case of Employees who are on long leave; and
- Any other related or incidental matters.

Clause 6(1) of SEBI Regulations requires the approval of the Company's shareholders by means of a Special Resolution for offer of shares to employees of the Company under any Employee Stock Option Scheme by whatever name called and accordingly, Item No.1 to this notice is proposed as Special Resolution.

The salient features of the Employees Stock Option Scheme 2014 and the disclosures required under Rule 12(2) of The Companies (Share Capital and Debentures) Rules, 2014 are as under:

(a) **The total number of options to be granted**

The total number of options that may, in the aggregate, be issued would be such number of options which shall entitle the option holders to acquire in one or more tranches upto 20,00,000 equity shares of the Company of the face value of Rs. 10 each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organisation of the capital structure of the Company as may be applicable from time to time). Each such Options confers a right upon the Employee to apply for 1 (one) equity shares of Rs. 10/- each of the Company, in accordance with the terms and conditions of such issue.

(b) **Identification of classes of employees entitled to participate in the Scheme**

All permanent employees of the Company working in India or out of India and Directors (whether Managing/Whole time Director or not) and its holding company or its subsidiary / associate company(ies) (excluding promoters and employees belong to Promoter Companies) and further excluding Independent Directors as may be decided by the Nomination and Remuneration Committee.

The class of Employees eligible for participating in the Scheme shall be determined on the basis of the grade, number of years' service, performance, and such other parameters as may be decided by the Nomination and Remuneration Committee in its sole discretion from time to time.

The options granted to an Employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

(c) **Appraisal Process for determining the eligibility of Employees to the Scheme**

The appraisal process for determining the eligibility of the Employee will be specified by the Nomination and Remuneration Committee and will be based on criteria such as the grade of Employee, length of service, performance record, merit of the Employee, future potential contribution by the Employee and/or by any such criteria that may be determined by the Nomination and Remuneration Committee in its sole discretion.

(d) **Requirements of vesting and period vesting**

Vesting of options may commence after a period of not less than one year from the date of grant. The vesting may occur in one or more tranches, subject to terms and conditions of vesting, as may be stipulated by the Nomination and Remuneration Committee in its sole discretion.

(e) **Maximum period within which the options shall vested**

The maximum vesting period may extend up to five years from date of grant of options, unless otherwise decided by the Nomination and Remuneration Committee.

(f) **Exercise price or pricing formula**

Exercise Price means the price at which the Employee is entitled to acquire the equity shares pursuant to the options granted and vested in him/her under the Scheme.

The Exercise price per option may be decided by the Nomination and Remuneration Committee at the time of Grant. In determining the Exercise Price, the Committee shall take into consideration relevant factors prevalent at the time of the Grant which, among other things, would include the trend in the market price of the Company's Equity Shares quoted on Stock Exchange.

(g) **Exercise period and process of exercise and under certain circumstances in which option may lapse**

The exercise period may commence from the date of vesting and will expire not later than 5 years from the date of vesting, or such other period as may be decided by the Nomination and Remuneration Committee from time to time.

The options will be exercisable by the Employees by a written application to the Company / Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust ("the Trust") or any other entity which may be set up for this purpose to exercise the options, in such manner, and on execution of such documents, as may be prescribed by the Nomination and Remuneration Committee from time to time.

The option will lapse if not exercised within the specified exercise period or as may be specified by the Nomination and Remuneration Committee. The options may also lapse under certain circumstances like termination of employee under misconduct, resignation, etc., even before the expiry of the specified exercise period.

(h) **Time period within which the employee shall exercise the vested option in the event of termination of employment or resignation of employee**

The Nomination and Remuneration Committee shall determine the time period within which the vested unexercised option in the event of termination of employment or resignation of employee shall be exercised.

(i) **Maximum number of options to be issued per Employee and in aggregate**

The maximum number of options to be granted per Employee will not exceed 4,00,000 equity shares of Rs.10 each. The aggregate of all such grants shall not exceed 2.25% of the issued and outstanding equity shares of the Company as on 30th September, 2014.

(j) **Disclosure and accounting policies**

The Company shall conform to the accounting policies specified by Securities and Exchange Board of India as per the SEBI Regulations, amended from time to time.

(k) **Method of Valuation**

The Company follows the intrinsic value method for computing the compensation cost, if any, for the options granted. The difference between the employee compensation cost so calculated and employee compensation cost that would have been recognised if the Company had used fair value method and its impact on the profits and earnings per share would be disclosed in the Directors' Report. The fair value would be determined using the Black – Scholes model.

(l) **Condition under which Option may lapse**

The option will lapse if not exercised within the specified exercise period. The options may also lapse under certain circumstances even before the expiry of the specified exercise period i.e. in the event of termination of employment or resignation of employee.

(m) **Other terms**

The Board, based on the recommendations of the Nomination and Remuneration Committee, shall have the absolute authority to vary, modify or alter the terms of the Scheme in accordance with the Regulations and Guidelines as prescribed by the Securities and Exchange Board of India or Regulations that may be issued by any appropriate authority, from time to time, unless such variations, modifications or alterations is detrimental to the interest of the Employees.

The Securities may be allotted directly to the Employees or in accordance with the Scheme through any appropriate mechanism including the Trust or other entity which may be set up for that purpose and such Scheme may also contain provisions for providing financial assistance to the Employees/Trust/entity to enable the Employees/Trust/entity to acquire or subscribe to the Securities. Further, the Trust / entity shall not acquire or deal in securities of the Company through the secondary market.

As on 30th September, 2014, 7,55,808 Equity Shares of Rs. 10 each were held by the Trust in respect of the shares allotted under 2006 Scheme. As on the same date, 5,01,660 options were in force which could be exercisable into 5,01,660 Equity Shares of Rs.10 each. Accordingly, the balance available with the Trust is only 2,54,148 Equity Shares of Rs. 10 each which amounts to 0.29% of the equity share capital of the Company. It is proposed that these balance shares available with the Trust together with any other shares represented by options that may lapse for any reason, will also be available to the Trust for issuing/granting Options to the Employees under the Scheme.

(n) **As the Company may provide money for purchase of its own shares for the purpose of implementing the Scheme the details required under Rule 16(2) of the Companies (Share Capital and Debentures) Rules, 2014 are as follows:**

(i) **the class of employees for whose benefit the scheme is being implemented and money is being provided for subscription to shares:**

Refer point (b) above.

(ii) **the particulars of the trustee in whose names such shares are to be registered:**

The shares will be held by the Trust / Trustees/ any other entity as may decided by the Nomination and Remuneration Committee from time to time.

(iii) **the particulars of trust and name, address, occupation and nationality of trustees and their relationship with the promoters, directors or key managerial personnel:**

Currently the Company has a Mahindra Holidays & Resorts India Limited Employee Stock Option Trust ("the Trust") which is being used for implementing 2006 Scheme. The said Trust would also be used for implementing the Scheme as may be decided by the Nomination and Remuneration Committee.

Particulars of the Trustees are given below:

Sr No.	Name	Address	Occupation	Nationality
1	Mr. Rohit Malik	G-1304, Royal Classic, New link Road, Andheri (W), Mumbai - 400053	Service	Indian
2	Mr. Mohit Bhatia	901 - A, Utpal Park, Rangudyan Compound, Off Sitladevi Temple Road, Mahim, Mumbai - 400016	Service	Indian
3	Ms. Deepali Nair	103-104, 1 st Floor, Sea Flama, Dosti Flamingos, Parel, Sewri, Mumbai – 400015	Service	Indian
4	Mr. Sugato Majumdar	B-4 / 135, Safdarjung Enclave, NewDelhi – 110029	Service	Indian
5	Mr. Subhash Kelkar	Plot No- 54, Chinmay Apartments, Mayur Colony, Kothrud, Pune 411038	Service	Indian
6	Mr. Abhash Mishra	D-602, Oberai Splender, Opp Majas Bus Depot, JVLR, Mumbai -400 060.	Service	Indian

All the above Trustees are presently employees of the Company. None of the above Trustees and their respective relatives are related to Promoters, Directors or Key Managerial Personnel of the Company.

(iv) **any interest of key managerial personnel, directors or promoters in such scheme or trust and effect thereof:**

Directors and KMP's may be deemed to be interested to the extent of Equity Shares they may be offered to them under the Scheme.

(v) **the detailed particulars of benefits which will accrue to the employees from the implementation of the scheme:**

Employees Stock Options represent a reward system based on performance. They help companies attract retain and motivate the best available talent. This also provides an opportunity to employees to participate in the growth of the company, besides creating long term wealth in their hands.

(vi) **details about who would exercise and how the voting rights in respect of the shares to be subscribed under the scheme would be exercised:**

The SEBI Regulations provides that the Trustee of a trust, which is governed under the SEBI regulations, shall not vote in respect of the shares held by such trust, so as to avoid any misuse arising out of exercising such voting rights:

As the Scheme would entail further shares to be offered to persons other than existing Members of the Company, consent of the Members is sought pursuant to the provisions of Section 62 and all other applicable provisions,

if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment and as per the requirement of Clause 6 of the SEBI Regulations.

As per the SEBI Regulations, a separate Resolution is required to be passed if the benefits of the Scheme are to be extended to Employees of the holding company, the subsidiary company(ies) and the associate company(ies). The Resolution under Item No. 2 is being proposed accordingly to over the Employees and Directors, whether Whole-time Directors or not, of the holding company, the subsidiary company(ies) and the associate company(ies).

Your Directors recommend the resolutions as set out under Item Nos. 1 and 2 to this Notice for your approval by way of special resolutions.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolutions, except to the extent of Equity Shares they may be offered to them under the Scheme.

Item No. 3

Pursuant to the provisions of Section 149 of the Companies Act, 2013 ("the Act") and read with the Companies (Appointment and Qualification of Directors) Rules, 2014, every listed company is required to have at least one women director on the Board of the Company. In terms of Clause 49 of the Listing Agreement the Board of Director shall have optimum combination of executive and non-executive directors with at least one woman director.

In view of the above, the Board on recommendation of the Nomination and Remuneration Committee, at their meeting held on 27th August, 2014 appointed Ms. Radhika Shastry as an Additional Director who shall hold office on the Board of the Company till the date of the next Annual General Meeting pursuant to the provisions of the Section 161 of the Act.

The Company has received Notice in writing from a member of the Company along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Radhika Shastry for the office of Independent Director of the Company. Accordingly, the Board, subject to the approval of the Members, proposed to appoint Ms. Radhika Shastry as an Independent Director for a term of up to five (5) consecutive years from the date of the approval of the Members and not liable to retire by rotation.

In the opinion of the Board, Ms. Radhika Shastry fulfills the conditions specified in the Act and rules made thereunder for her appointment as Independent Directors of the Company and are independent of the management of the Company. Having regard to the qualifications, knowledge and experience, her appointment as an Independent Director will be in the interest of the Company. Copy of the draft letter for appointment of Ms. Radhika Shastry setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday and Sunday. The Board recommends her appointment as Independent Director in the interest of the Company.

A brief profile as required under Clause 49 of the Listing Agreement is given below:

Ms. Shastry has a Masters in Hospital management. She has also completed her International Masters in Practicing Management - a multi-cultural, multinational program offered by a consortium of leading business schools across global. A two year program which awards a diploma in Management from INSEAD and a Masters title is awarded by McGill University.

Ms. Shastry joined the Timeshare industry to start the call centre for RCI in Bangalore way back in 1992. A career spanning 22 years in the timeshare industry has made her a specialist in the shared ownership industry in Aska. Until March 2013 she was the Managing Director of RCI for the South Asia region and she was Managing Director of Group RCI – Indian Subcontinent in March 2007 - April 2014 and subsequently worked as consultant with them. She currently consults for Wyndham Hotels in India - also of Wyndham Worldwide.

Ms. Shastry was Managing Director of Group RCI – Indian Subcontinent in March 2007 - April 2014. She is Director of Hotel Dynamics India Private Limited and Chirstel House India and does not hold any Committee Membership. She does not hold any shares in the Company.

Your Directors recommend the resolution as set out under Item No. 3 to this Notice for your approval by way of ordinary resolution. Except Ms. Radhika Shastry and her relatives none of the Directors, key managerial personnel of the Company, and their respective relatives are in any way financially or otherwise concerned or interested in the resolution except to the extent of Equity Shares held by them in the Company.

Item No. 4 & 5

The Board of Directors of the Company at its Meeting held on 29th September, 2014, has pursuant to the recommendation of the Nomination and Remuneration Committee appointed Mr. Kavinder Singh as an Additional Director on the Board and subject to approval of the shareholders appointed Mr. Singh as Managing Director & CEO of the Company and his appointment was to be effective from his date of joining the Company. Further, the Board at its Meeting held on 30th October, 2014 has noted that Mr. Singh will be joining the Company effective from 3rd November, 2014.

A brief profile of Mr. Kavinder Singh is given below:

Mr. Kavinder Singh brings 28 years of experience in FMCG sector and has worked in Asian Paints, ITC Ltd & Pidilite Industries Limited. In his 17 years of career at ITC Limited, he spent last 8 years in starting up and building the 'Sunfeast' biscuits business of ITC Limited and was heading Biscuits and Confectionery businesses prior to joining Pidilite Industries Limited. Mr. Kavinder started the 'Strategic Initiatives Group' and led transformational Corporate Strategic Initiatives at Pidilite Industries Limited. After a successful stint as Chief Strategy officer, Mr. Singh became the first CEO of Pidilite's 'Consumer Products (Maint)' business.

Mr. Singh is a graduate in Mechanical engineering from NIT Warangal and has gone through General Management Program at Wharton School besides other programs by Harvard Business School (Advanced Manufacturing Strategy) and Wharton School (Advanced Marketing Management).

The Company has received a Notice from a member signifying his intention to propose Mr. Kavinder Singh as a candidate for the office of Director of the Company along with the deposit of requisite amount as stipulated under the provisions of Section 160 of the Companies Act, 2013 ("the Act").

The Company has also received the consent letter, disclosure confirming not being disqualified to act as Director on the Board of the Company under Section 164 of the Act and other requisite disclosures. Mr. Singh does not hold any directorship on the Board of other Companies. He also does not hold any shares in the Company.

The Board of Directors of the Company also at its Meeting held on the same day, has pursuant to the recommendation of the Nomination and Remuneration Committee and subject to the approval of members, approved the appointment and remuneration of Mr. Kavinder Singh, as the Managing Director under the Act to be designated as Managing Director & Chief Executive Officer (MD & CEO) of the Company for a term of five (5) years from the date of his joining the Company. Subsequently, Mr. Singh has informed the Company that he would be joining the Company with effect from 3rd November, 2014. Accordingly, his appointment as MD & CEO will be effective for a period of five (5) years commencing from 3rd November, 2014 to 2nd November, 2019 (both days inclusive).

The other terms of remuneration payable to Mr. Kavinder Singh, Managing Director & Chief Executive Officer are set out below:

1.	Basic Salary	As may be decided by Nomination and Remuneration Committee from time to time in the scale of Rs. 5,00,000 per month to Rs. 9,00,000 per month
2.	Perquisites:	
i)	Personal Allowances	Not exceeding 1.5 times of the total basic salary per annum as per the Company's rules.
ii)	Housing	Furnished / unfurnished accommodation or House Rent Allowance in lieu thereof not exceeding 60% of the basic salary per annum.
iii)	Performance Pay	Not exceeding 2 times of the total basic salary per annum as per the Company's Rules.
iv)	Medical Reimbursement	Expenses incurred for the MD & CEO and his family as per the Company's Rules.

v)	Personal Accident Insurance	Premium as per the Company's Rules.
vi)	Leave Travel Concession	For the MD & CEO and his family once in a year, incurred in accordance with the Company's Rules.
vii)	Encashment of leave	Encashment of leave not availed by the Managing Director as per the Company's Rules.
viii)	Contribution to Funds	Contributions to Provident Fund, Superannuation Fund, Annuity Fund, Gratuity/Contribution to Gratuity Fund as per the Company's Rules.
ix)	Provision of car or conveyance allowance and telephone at the Managing Director's residence for his use	Provision of 2 cars (including cost of fuel, insurance and maintenance expenses), driver for 2 cars or conveyance allowance and telephone at the MD & CEO's residence for his use as per the Company's Rules.
x)	Stock Option	As recommended by the Nomination and Remuneration Committee of the Board.
xi)	Other amenities and benefits	Such other benefits, amenities and facilities as per the Company's Rules.
xii)	Notice Period	The Nature of employment of the MD & CEO with the Company shall be contractual and can be terminated by giving three months notice from either party.

- The value of the perquisites would be evaluated as per Income-tax Rules, 1962 wherever applicable and at cost in the absence of any such Rule.
- Contribution to Provident Fund, Superannuation Fund, Annuity Fund and Gratuity would not be included in the computation of ceiling on remuneration to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- Encashment of earned leave at the end of the tenure as per Rules of the Company shall not be included in the computation of ceiling on remuneration.
- Provision of car for use on Company's business, mobile phone and telephone at residence would not be considered as perquisites.

Pursuant to the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 ("the Act"), including Schedule V to the Act, the appointment of and remuneration payable to MD & CEO is now being placed before the members in the Postal Ballot for their approval by way of a Special Resolution.

Pursuant to the provisions of The Companies (Appointment & Qualifications of Directors) Rules, 2014, approval of the members and shareholders is being sought by means of a special resolution for payment of remuneration for a period not exceeding 3 years.

Your Directors recommend Resolutions at Item Nos. 4 & 5 as an Ordinary and Special Resolution respectively for approval of the members.

Except Mr. Kavinder Singh and his relatives who would be interested in his appointment and remuneration, none of the Directors and Key Managerial Personnel of the Company or their respective relatives is, in any way, deemed to be concerned or interested in this item of business.

The following additional information as required by Schedule V to the Companies Act, 2013 is given below:

General Information:

(i) Nature of Industry:

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

(ii) Date or expected date of Commencement of Commercial production:

The Company was incorporated on 20th September, 1996.

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

Not Applicable

(iv) **Financial performance based on given indicators - as per audited financial results for the year ended 31st March 2014:**

Particulars	(Rupees in Crore)
Turnover & Other Income	798.92
Net profit as per Profit & Loss Account (after tax)	94.53
Profit as computed under Section 309(5) read with Section 198 of the Companies Act, 1956	143.97
Net worth	789.81

(v) **Foreign Investment or collaborations, if any:**

The Company has not entered into any foreign collaboration.

Information about the appointee

(i) **Background details:**

Mr. Kavinder Singh brings 28 years of experience in FMCG sector and has worked in Asian Paints, ITC Ltd & Pidilite Industries Limited. In his 17 years of career at ITC Limited, he spent last 8 years in starting up and building the 'Sunfeast' biscuits business of ITC Limited and was heading Biscuits and Confectionery businesses prior to joining Pidilite Industries Limited. Mr. Kavinder started the 'Strategic Initiatives Group' and led transformational Corporate Strategic Initiatives at Pidilite Industries Limited. After a successful stint as Chief Strategy officer, Mr. Singh became the first CEO of Pidilite's 'Consumer Products (Maint)' business.

Mr. Singh is a graduate in Mechanical engineering from NIT Warangal and has gone through General Management Program at Wharton School besides other programs by Harvard Business School (Advanced Manufacturing Strategy) and Wharton School (Advanced Marketing Management).

(ii) **Past remuneration:**

Remuneration drawn by Mr. Kavinder Singh for the period 1st April, 2013 to 31st March, 2014 was Rs. 217 lakhs.

(iii) **Recognition or awards, if any :**

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

(iv) **Job profile and his suitability :**

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

(v) **Remuneration proposed for 3 years:**

Basic salary as may be determined by Nomination and Remuneration Committee of the Board from time to time in the scale of Rs. 5,00,000 per month to Rs. 9,00,000 per month and other perquisites and allowances as fully set above.

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

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

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

Besides the remuneration proposed to be paid to him, Mr. Kavinder Singh or any of his relatives do not have any other pecuniary relationship with the Company or relationship with the managerial personnel.

III. Other Information

As the remuneration proposed to Mr. Kavinder Singh is within the prescribed limit under the Companies Act, 2013, when calculated w.r.t. the last audited balance sheet i.e. as of 31st March, 2014, the information w.r.t :

- i) Reasons of loss or inadequate profits,
- ii) Steps taken or proposed to be taken for improvement,
- iii) Expected increase in productivity and profits in measurable terms etc.,

is not applicable, as the Company has adequate profits. The Company has posted a net profit after tax of Rs. 94.53 Crore for the year ended 31st March, 2014.

IV. Disclosures

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual report in the Corporate Governance Report Section under the heading "Remuneration paid / payable to Managing / Executive Director (Whole – time Director) for the year ended 31st March, 2014.,

Item No. 6

The Board at their meeting held on 27th August, 2014 has appointed Mr. V S Parthasarathy as an Additional Director, consequent to recommendation of the Nomination and Remuneration Committee (NRC) and who hold the office of Director up to the date of next Annual General Meeting of the company under Section 161 of the Act.

The Company has received Notice in writing from a member of the Company alongwith the deposit of the requisite amount under Section 160 of the Act proposing the candidature of Mr. V S Parthasarathy for the office of Director of the Company.

In view of above, the Company is seeking shareholder's approval for appointment of Mr. V S Parthasarathy as a non-executive Director of the Company, liable to retire by rotation.

A detailed profile of Mr. V. S. Parthasarathy is given below:

Mr. V S Parthasarathy is Chief Financial Officer (CFO) of Mahindra & Mahindra Limited, holding Company (M&M). In his role as CFO, M&M & Group CIO, he facilitates Mahindra Group in accomplishing its vision of 'being amongst the Top 50 most admired brands in the world'. He is a member of the think-tank of Mahindra Group's supervisory board called "Group Executive Board". He is also a member of the Global IT Customer Advisory Board of CISCO & APJ Customer Advisory Board of HP. He joined M&M in 2000. At M&M, he spearheaded functions like Finance, HR, M&A, IT and International Operations before he was appointed CFO of M&M. He has received many accolades and recognitions in the field of Finance, M&A & IT.

Mr. Parthasarathy holds a Bachelor's Degree in Commerce and is a fellow member of the Institute of Chartered Accountants of India. He is Harvard Alumni of Advanced Management Program - batch 2011. He has also been part of Mahindra Group's Senior Management team for Group strategy development, facilitated by Harvard Business School.

The Company has received the requisite disclosures from Mr. Parthasarathy. He does not hold any shares in the Company. Further, Mr. V S Parthasarathy, being Key Managerial Personnel of holding company, will be considered as a non-independent Director.

Mr. Parthasarathy is also Director on the Board of Mahindra USA Inc., Mahindra Engineering Services Ltd, Mahindra Aerospace Private Ltd, Mahindra Yueda (Yancheng) Tractor Company Limited, Defence Land Systems India Private Limited, Mahindra Reva Electric Vehicles Private Limited, Mahindra Defence Systems Ltd, Mahindra Telephonics Integrated System Limited, Mahindra Tractor Assembly Inc., CIE Automotive S.A., Mahindra North America Technical Centre, Inc., Mahindra & Mahindra Financial Services Limited, New Democratic Electoral Trust and Mahindra Two Wheelers Ltd.

Mr. Parthasarathy is a member/chairman of the following Board Committees:

Sr. No.	Name of the Company	Name of the Committee	Position held (Chairman/Member)
1	Mahindra Engineering Services Limited	Audit Committee	Member
2	Mahindra Aerospace Private Limited	Audit Committee	Member
3	Defence Land Systems India Private Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Treasury Committee	Member
4	Mahindra Reva Electric Vehicles Private Limited	Nomination and Remuneration Committee	Member
		Audit Committee	Chairman
5	Mahindra Two Wheelers Limited	Audit Committee	Chairman
		Nomination and Remuneration Committee	Member
6	Mahindra Holidays & Resorts India Limited	Audit Committee	Member
		Stakeholders Relationship Committee	Member
		Risk Management Committee	Member
		Corporate Social Responsibility Committee	Member
7	Mahindra & Mahindra Financial Services Limited	Audit Committee	Member
		Risk Management Committee	Member
		ALCO Committee	Member

Your Directors recommend the resolution as set out under Item No. 6 to this Notice for your approval by way of ordinary resolution.

Except Mr. V. S. Parthasarathy and his relatives none of the Directors, key managerial personnel of the Company, and their respective relatives are in any way financially or otherwise concerned or interested in the resolution except to the extent of Equity Shares held by them in the Company.

Further Section 110 of the Companies Act, 2013 provides that if a resolution is assented to by a requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a general meeting convened in that behalf.

Your approval is sought by voting through Postal Ballot or through e-voting as the case may be, pursuant to the provision of Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 for passing the Resolution(s) under Item Nos. 1 to 6 as set in this notice.

By order of the Board of Directors
For Mahindra Holidays & Resorts India Limited

DINESH SHETTY
 Head Legal & Company Secretary

Registered Office:

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 Patullos Road, Chennai – 600 002.
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Mumbai, 10th November , 2014