

AUDITORS' CERTIFICATE

To

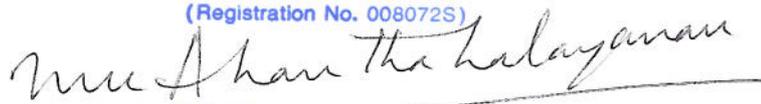
The Board of Directors,
Mahindra Holidays & Resorts India Limited,
Mahindra Towers,
2nd floor, No. 17/18, Patullos Road,
Chennai – 600 002,
Tamilnadu.

1. We, Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration No: 008072S), the statutory auditors of **Mahindra Holidays & Resorts India Limited** ("MHRIL", "the Company") having its Registered Office at Mahindra Towers, 2nd floor, No. 17/18, Patullos Road, Chennai – 600 002, TamilNadu, have examined the proposed "Scheme of Amalgamation and Arrangement of Competent Hotels Private Limited and Divine Heritage Hotels Private Limited and Holiday on Hills Resorts Private Limited with Mahindra Holidays & Resorts India Limited and their Shareholders and Creditors under Sections 391 to 394 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013 and Sections 100 to 104 of the Companies Act, 1956" ("the Proposed Scheme") duly signed by the Company Secretary of the Company for amalgamation of Competent Hotels Private Limited ("CHPL"), Divine Heritage Hotels Private Limited ("DHHPL") and Holiday on Hills Resorts Private Limited ("HHRPL") (the wholly owned subsidiaries of the Company) on a going concern basis with the Company and reduction in securities premium. We have also examined the annexed statement of "Notional Computation of Net worth of the Company as on 30th September 2014" ("the Statement") duly signed by the Company. The Proposed Scheme has been approved by its Board of Directors at their meeting held on 22nd January, 2015 and is subject to the approval of shareholders, creditors etc. and sanction of by Hon'ble High Court of Delhi, Hon'ble High Court of Rajasthan, Hon'ble High Court of Himachal Pradesh and Hon'ble High Court of Madras. The Proposed Scheme has been duly stamped and initialed by us for identification and annexed to this certificate.
2. We have been requested by the Management of the Company to issue a certificate on the computation of net worth of the Company as at 30th September, 2014 as stipulated by Stock Exchanges prior to and after giving effect to the Proposed Scheme.
3. The Management of the Company is responsible for the maintenance of proper books of account and such other relevant records as prescribed by applicable laws, which includes collecting, collating and validating data and designing, implementing and monitoring of internal controls relevant for the preparation of the Statement.



4. Our responsibility, for the purpose of this certificate, is limited to certify the particulars contained in the Statement, based on the unaudited accounts of the Company for the six months ended 30th September, 2014, the Proposed Scheme and other relevant records and documents maintained by the Company and did not include the evaluation of the adherence by the Company with all the applicable guidelines. We conducted our verification in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes and Standards on Auditing issued by the Institute of Chartered Accountants of India.
5. On the basis of our verification and examination of the Proposed Scheme and according to the information and explanations provided to us by the Management of the Company, we state that we have examined the annexed statement of "Notional Computation of Networth of Mahindra Holidays & Resorts India Limited as on 30th September, 2014" as prepared by the Company with;
- the limited review report and unaudited financial statements of MHRIL for the six months period ended 30th September, 2014;
 - the audited financial statements of CHPL for the six months period ended 30th September, 2014;
 - the audited financial statements of DHHPL for the six months period ended 30th September, 2014;
 - the audited financial statements of HHRPL for the six months period ended 30th September, 2014;
 - a copy of the Proposed Scheme as approved by the Board of directors of the Company at its meeting held on 22nd January, 2015
- and found the same to be in accordance therewith.
6. This certificate is issued solely as per the requirements of the stock exchanges for filing along with the Proposed Scheme effective from 1st April, 2015, which had been approved by the Board of Directors of MHRIL on 22nd January, 2015 and should not be considered for any other purpose without our prior written consent.

For **DELOITTE HASKINS & SELLS**
CHARTERED ACCOUNTANTS
(Registration No. 008072S)


M.K. ANANTHANARAYANAN
PARTNER
MEMBERSHIP No. 19521

REF: MKA/ MHRIL / 002/ 2014-15

Chennai, February 11, 2015

ANNEXURE

Notional Computation of Net worth of Mahindra Holidays & Resorts India Limited as on 30 th September, 2014			
Rs in Crores			
Particulars		Prior to giving effect to the Proposed Scheme (1)	After giving effect to the Proposed Scheme (2)
Share Capital			
Equity, issued & paid up capital	A	88.03	88.03
Reserves & Surplus			
General Reserve		68.62	68.91
Surplus in Statement of Profit and Loss		419.58	408.26
Total Reserves	B	488.20	477.17
Miscellaneous expenses	C	NIL	NIL
Net Worth (Excluding Revaluation Reserve)	D = A+B-C	576.23	565.20

Notes:

1. The aforesaid computation has been made solely as per the requirements of stock exchange for grant of approval under 24(f) of the listing agreement for filing along with the Proposed Scheme of Amalgamation and Arrangement of Competent Hotels Private Limited ("CHPL") and Divine Heritage Hotels Private Limited ("DHHPL") and Holiday on Hills Resorts Private Limited ("HHRPL") with Mahindra Holidays & Resorts India Limited ("MHRIL") ("Proposed Scheme") operative from 1st April, 2015, which had been approved by the Board of Directors of MHRIL on 22nd January, 2015 and is not to be considered for any other purpose. The Proposed Scheme is pending other statutory approvals including those of the members of the respective companies.
2. The networth has been calculated as per the formula prescribed by NSE i.e. Networth = Equity Share Capital + Free Reserves - Miscellaneous Expenditure written off. Free Reserves to be considered as per Section 2(43) of the Companies Act, 2013.
3. The figures stated above have been arrived at on the basis of
 - i. Limited review report and unaudited financial statements of MHRIL for the period ended 30th September, 2014 and
 - ii. audited financial statements of CHPL, DHHPL and HHRPL for the period ended 30th September, 2014 after giving effect to matters specified in Note 4.



Mahindra Holidays & Resorts India Limited

Registered & Corporate Office: Mahindra Towers, 2nd floor, 17/18, Patullos Road, Chennai - 600 002. t: +91 44 3988 1000 f: +91 44 3027 7778
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4. (a) As per clause 6,9 and 12 of the Scheme, the Transferee Company shall:
- Record the assets and liabilities including reserves, pertaining to the Transferor Companies, at the respective book values as appearing in the books of the Transferor Companies as on the Appointed date.
 - Amount of share capital of the Transferor Companies and the value recorded as investment in the books of the Transferee Company shall be adjusted against each other and difference, if any, shall be adjusted in the Amalgamation Reserve Account in the books of the Transferee Company.
- (b) As per clause 13 of Part E of the Scheme, the Transferee Company shall:
- Upon the Scheme coming into effect and with effect from the Appointed Date, debit balances in Amalgamation Reserve Account, if any, after giving effect to Clause 6, 9 and 12 of this Scheme shall be adjusted against the Securities Premium Account of the Transferee Company.
5. Other than what has been stated in Note 4 above, no adjustments for any event after 30th September, 2014 that may affect the net worth of the Company as on that date has been considered.
6. No adjustment has been made to the reserves in column (2) above that may arise on account of any difference in any accounting policy between the Transferor Companies and the Transferee Company.

For Mahindra Holidays & Resorts India Limited

Name : S. Krishnan
Designation: Chief Financial Officer

Mumbai: January 22, 2015



Mahindra Holidays & Resorts India Limited

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