



Why go anywhere else

COUNTRY CLUB

Hospitality & Holidays Limited

25th | Annual Report
2015-2016

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Corporate Information

Board of Directors

Shri Y. Rajeev Reddy	:	Chairman & Managing Director
Shri Y. Siddharth Reddy	:	Vice Chairman, Joint Managing Director & CEO
Shri Y. Varun Reddy	:	Vice Chairman, Joint Managing Director & COO
Shri D. Krishna Kumar Raju	:	Vice Chairman & Director
Smt Y. Manjula Reddy	:	Director
Shri D. Venkata Ratna Kishore	:	Director
Shri K. Satyanarayana Raju	:	Director
Shri Indukuri Venkata Subba Raju	:	Director
Shri Y. Subba Rao	:	Director
Shri Venkateswara Dontireddy Reddy	:	Director

Company Secretary : Smt V. Sreelatha

Chief Financial Officer : Shri. K. Phaneendra Rao

Contacts

Registered Office

'Amrutha Castle',
5-9-16, Saifabad,
Opp: Secretariat,
Hyderabad - 500 063

Corporate Office

Country Club Kool,
#6-3-1219, 4th & 5th Floor,
Begumpet, Hyderabad- 500016

Phone: +91 40 6684 8888

Fax: +91 40 6684 3444

Website: www.countryclubindia.net

Registrar and Share Transfer Agents

Aarathi Consultants Private Limited,
1-2-285, Domalguda,
Hyderabad - 500 029
Phone: +91 40 2763 8111
+91 40 2763 4445

Fax: +91 40 2763 2184

Website: www.aarthiconsultants.com

E-mail: info@arthiconsultants.com

Auditor

M/s. P. Murali & Co.,
Chartered Accountants,
6-3-655/2/3, Somajiguda,
Hyderabad – 500 082

Bankers

Canara Bank
Central Bank of India
Union Bank of India
Vijaya Bank
Bank of India
Oriental Bank of Commerce
Saraswat Co-Operative Bank Limited
Cosmos Co-Operative Bank Limited
National Bank of Fujairah

Listed on

Equity : Bombay Stock Exchange Limited, Mumbai
National Stock Exchange of India Limited, Mumbai

Book Closure Dates : 23rd September, 2016 to 30th September, 2016 (Both days inclusive)

COUNTRY CLUB HOSPITALITY & HOLIDAYS LIMITED

CIN: L70102AP1991PLC012714

NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the members of M/s. Country Club Hospitality & Holidays Limited will be held on Friday, the 30th day of September, 2016 at 11.00 A.M at Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad - 500 003 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt:
 - a. the audited Standalone financial statement of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon.
 - b. the audited Consolidated financial statement of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Y. Siddharth Reddy (DIN: 00815456), Director who retires by rotation and being eligible offers himself for re-appointment.
3. To ratify the appointment of M/s. P. Murali & Co., Chartered Accountants, Hyderabad (Registration No. 007257S) as statutory auditors of the Company till the conclusion of the 26th Annual General Meeting who were appointed at the Twenty Third Annual General Meeting of the Company, to hold office till the conclusion of 26th Annual General Meeting, at such remuneration, plus service tax as may applicable and reimbursement of actual out of pocket expenses as may be incurred in the performance of their duties, as the Board of Directors may fix in this behalf."

Special Business:

4. To re-appoint Sri Y. Varun Reddy (DIN: 01905757) as Vice-Chairman, JMD & COO:

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 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded to Re-appoint Sri Y. Varun Reddy (DIN: 01905757), as Vice-Chairman, JMD & Chief Operating Officer of the Company for a period of 5 (five) years with effect from 1st August, 2016, and at such remuneration perquisites and benefits for a period of 3 years from the date of re-appointment upto 31st July, 2019 on the following terms and conditions:

- A) Salary of Rs. 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only) per month. This includes dearness allowance and all other allowances not otherwise specified herein.
- B) In addition, he shall be entitled to the following:
 - I. Perquisites as under not exceeding Rs.25,000/- per month:
 - a) Housing: Rent-free accommodation will be provided to him from whom 10% of his salary shall be recovered. In case no accommodation is provided by the Company, house rent allowance at 60% of the salary shall be paid. In addition, he shall be allowed free use of the Company owned furniture and other consumable durables, if required.
 - b) The expenditure incurred by him for gas, electricity, water and furnishings shall be reimbursed by the Company.
 - c) All medical expenses incurred by him shall be reimbursed.

- d) Leave travel concession for him will be allowed once in a year as may be decided by the Board.
 - e) Fees of Club shall be reimbursed subject to the maximum of two clubs; Admission Fees and Life Membership Fees.
 - f) Personal accident insurance – the premium of which shall not exceed Rs.10000/- per annum.
 - g) Contribution to the provident fund, superannuation fund, annuity fund to the extent the same are not taxable under the Income Tax Act.
 - h) Provision of Car with driver for use on Company's business and Mobile phone and Telephone at the residence.
 - i) Gratuity is payable at a rate not exceeding Half Month Salary for each completed year of Service.
 - j) Encashment of earned leave at the rate of 30 days per annum at the end of his tenure.
- II. Commission: He shall be paid performance based commission up to 2.5% (including salary and perquisites hereafter stated) of the net profits calculated in accordance with Section 198 of the Companies Act, 2013 for each financial year.

RESOLVED FURTHER THAT the above remuneration payable to Sri Y. Varun Reddy, (DIN 01905757) Vice-Chairman, JMD & Chief Operating Officer, during the tenure of office shall be subject to the limits prescribed under Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. CONVERSION OF LOAN AVAILED FROM CANARA BANK INTO EQUITY SHARE CAPITAL:

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

"RESOLVED THAT pursuant to Section 62(3) and other applicable provisions, if any, of the Companies Act 2013 read with rules made thereunder and subject to all such approvals, permissions and sanctions as maybe necessary and subject to such condition(s) and modification(s) as may be prescribed or imposed, while granting such approval(s), permission(s) or sanction(s), which may be agreed by the Board of Directors of the Company("hereinafter referred to as the Board"), the consent of the Members of the Company be and is hereby accorded to the Board in respect of the financial assistance extended by the Canara bank ("the bank"), such that only in the event of default by the Borrower under the lending arrangements, said Bank at its option may be able to convert the outstanding loan to ordinary equity shares in the Company upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the applicable SEBI Regulations at the time of such conversion.

RESOLVED FURTHER THAT on receipt of notice of such conversion, the Board be and is hereby authorized to do all such acts, deeds and things as the Board may deem necessary and shall allot and issue the requisite number of fully paid-up ordinary equity shares in the Company to the said Bank.

RESOLVED FURTHER THAT the ordinary equity shares to be so allotted and issued to the said Bank pursuant to its exercising the right of conversion shall rank pari-passu in all respects with the then equity shares in the Company and be listed on the Stock Exchange(s) where the existing shares of the Company are listed.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or any Committee of Directors or any other executive(s) or officer(s) of the Company to give effect to the aforesaid resolution."

6. CONVERSION OF LOAN AVAILED FROM CENTRAL BANK OF INDIA INTO EQUITY SHARE CAPITAL:

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

"RESOLVED THAT pursuant to Section 62(3) and other applicable provisions, if any, of the Companies Act 2013 read with rules made thereunder, and subject to all such approvals, permissions and sanctions as maybe necessary and subject to such condition(s) and modification(s) as maybe prescribed or imposed, while granting such approval(s), permission(s) or sanction(s), which may be agreed by the Board of Directors of the Company("hereinafter referred to as

the Board”), the consent of the Members of the Company be and is hereby accorded to the Board in respect of the financial assistance extended by the Central Bank of India (“the bank”), such that only in the event of default by the Borrower under the lending arrangements, said Bank at its option maybe able to convert the outstanding loan to ordinary equity shares in the Company upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the applicable SEBI Regulations at the time of such conversion.

RESOLVED FURTHER THAT on receipt of notice of such conversion, the Board be and is hereby authorized to do all such acts, deeds and things as the Board may deem necessary and shall allot and issue the requisite number of fully paid-up ordinary equity shares in the Company to the said Bank.

RESOLVED FURTHER THAT the ordinary equity shares to be so allotted and issued to the said Bank pursuant to its exercising the right of conversion shall rank pari-passu in all respects with the then equity shares in the Company and be listed on the Stock Exchange(s) where the existing shares of the Company are listed.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or any Committee of Directors or any other executive(s) or officer(s) of the Company to give effect to the aforesaid resolution.

**For and on behalf of the Board
For Country Club Hospitality & Holidays Limited**

Place: Hyderabad
Date: 13th August, 2016

**Y. Varun Reddy
Vice Chairman, JMD & COO
DIN: 01905757**

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Corporate Office at Country Club Kool, #6-3-1219, 4th & 5th Floor, Begumpet, Hyderabad- 500016, duly completed and signed, not later than 48 hours before the commencement of the meeting.
3. A Proxy Form is annexed to this Report. Members/Proxies should bring duly filled attendance slips sent herewith for attending the meeting along with the copies of Annual Reports to the Annual General Meeting. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the AGM.
4. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses with the Company, physical copies of the Annual Report are being sent by the permitted mode. Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 23rd September, 2016 to Friday, 30th September, 2016 (both days inclusive).
6. The amount which was lying in the Un-claimed Dividend Account of the Company for the FY 2007-2008 of Rs. 5,42,400 (Rupees Five Lakhs Forty Two Thousand Four Hundred Only) has been transferred to Investor Education & Protection Fund Account (IEPF).
7. Un-Paid / Un-claimed Dividend Amount:

Following amounts are lying in the Un-paid / Un-claimed Dividend Account of the Company:

Financial Year	Amount	Due date for transfer of unpaid dividend amount to IEPF
2013 – 2014	2, 72,327	29th October, 2021
2012 – 2013	2,69,831	29th October, 2020
2011 – 2012	2,44,278	28th October, 2019
2010 - 2011	2,34,126	29th October, 2018
2009 – 2010	2,47,017	29th October, 2017
2008 – 2009	7,59,700	29th October, 2016

8. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, as amended from time to time, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Thursday, 22nd September, 2016, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may approach the NSDL/ RTA for issuance of the User ID and Password for exercising their right to vote by electronic means. The e-voting period will commence at 9.00 a.m. on Tuesday, 27th September, 2016 and will end at 5.00 p.m. on Thursday, 29th September, 2016. The Company has appointed Smt. Rashida Adenwala (Membership No. FCS 4020), Practising Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

9. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

The instructions for shareholders voting electronically are as under:

- (i) The voting period will commence at 9.00 a.m. on Tuesday, 27th September, 2016 and will end at 5.00 p.m. on Thursday, 29th September, 2016. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 22nd September, 2016 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

(a) In case of Shareholders' receiving e-mail from NSDL

- (i) Open e-mail and open PDF file viz; "remote e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" of Country Club Hospitality & Holidays Limited
- (viii) Now you are ready for e-Voting as Cast Vote page opens
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail scrutinizer@countryclubmail.com with a copy marked to evoting@nsdl.co.in.

(b) In case of Shareholders' receiving Postal Ballot Form by Post:

- (i) Initial password is provided as below/at the bottom of the Postal Ballot Form.

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- (c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
- (d) If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- The results shall be declared within 48 hours from the conclusion of the AGM. The results along with the Scrutinizer's Report shall also be placed on the website of the Company.
 - The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / M/s. Aarthi Consultants Private Limited, (Unit: Country Club Hospitality & Holidays Limited).

3. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
4. Members holding shares in physical form are requested to notify / send any change in their address to the Company's share transfer agents, M/s. Aarthi Consultants Private Limited, (Unit: Country Club Hospitality & Holidays Limited), 1-2-285, Domalguda, Hyderabad - 500 029, Telangana, or to the Company at its Registered Office with their Folio Number(s).
5. Members holding shares in dematerialised form are requested to notify/send any changes in their address to the concerned Depository Participant (s).
6. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
7. It may be noted that no claim will be entertained against the Company or the Investor Education and Protection Fund in respect of the said unclaimed dividend amount transferred to the fund.
8. Members who hold shares in dematerialized form are requested to write their client ID and DP ID. Those who hold shares in physical form are required to write their Folio Number in the Attendance slip for attending the meeting.
9. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
10. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
11. A Statement giving the details of the Director (s) seeking re-appointment in the accompanying notice, as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 is annexed thereto.
12. The Companies Equity shares are listed at Bombay Stock Exchange and National Stock Exchange and the listing fee for the FY 2016-17 has been paid.
13. Section 72 of the Companies Act, 2013 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders willing to avail this facility may make nomination in Form SH-13 for initial registration of nomination and Form SH-14 for cancellation and variation of nomination as per Companies Act, 2013 to the Company's R.T.A. This nomination form should be submitted at Registrar and Share Transfer Agent (R. T. A.) as per the address mentioned in the Corporate Governance Report.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013:

Item # 4:

Sri Y. Varun Reddy, was re-appointed as the Vice-Chairman, Joint Managing Director & COO by the Members of the Company at the 20th Annual General Meeting held on 30th September, 2011 for a period of 5 years w.e.f 1st August, 2011 to 31st July, 2016.

He is the promoter director of the Company and he has been working with complete dedication, hard work and effective leadership.

The Board reviewed the performance achieved by the Company under his leadership and appreciated the same. Further in order to avail his uninterrupted services for the growth of the company, and upon the recommendations made by the Nomination and Remuneration Committee, the board has proposed to reappoint him as the Vice-Chairman, Joint Managing Director, COO of the Company for a further period of 5 years w.e.f 1st August, 2016 to 31st July, 2021 on the same terms and conditions as mentioned in the resolution.

Pursuant to section 196 of the Companies Act, 2013 re-appointment of the directors can be made upto a period of one year before expiry of his term.

The re-appointment of Sri Y. Varun Reddy, as Vice-Chairman, Joint Managing Director & COO of the Company requires the approval of Members in General Meeting pursuant to Section 196 of the Companies Act, 2013.

I. GENERAL INFORMATION:

1	Nature of industry	HOSPITALITY		
2	Date or expected date of commencement of commercial production	Commercial Operations of the Company have started during the year 1991		
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable		
4	Financial performance based on given indicators	2015-16 (in lakhs)	2014-15 (in lakhs)	2013-14 (in lakhs)
	Income from Operations (Gross)	29,328.57	27,318.08	32,140.82
	Profit/Loss Before tax	(105.06)	(654.84)	1,175.96
	Profit /Loss after Tax	(1065.01)	(1,129.18)	96.14
5	Foreign investments or collaborations, if any	The Company has made investment in the following overseas subsidiaries:- 1. Country Club Babylon Resort Private Limited, Sri Lanka 2. Country Vacations International Limited, Dubai		

II. INFORMATION ABOUT THE WHOLE-TIME DIRECTORS:

1. Background details:

Mr. Varun Reddy, 31years, the youngest COO on the Corporate India Circuit, Varun Reddy stepped into the corporate zone in his teens.

Dynamic, Aggressive and Focused, he joined Country Club part time way back in 2002, and worked part time ever since to don the mantle as Chief Operating Officer in 2006. A Graduated from Rutgers University with a double major in Economics and Communication, he has been responsible for many live projects at Country Club Hospitality and Holidays Ltd since then - that to this day continue to grow from strength to strength.

2. Past remuneration:

Presently he is drawing the following remuneration:

Salary (including HRA)	Commission	Other	Total
30,00,000	2.5% of the Net Profits	NIL	30,00,000

3. Recognition or awards: NIL

4. Job profile and his suitability:

Mr. Y. Varun Reddy, as Chief Operating Officer has been responsible for infusing far sweeping changes in the field of technology applications, Operations and Communications within the organization, he has steered the Company with total dedication, hard work and effective leadership into diversified activities.

5. Remuneration proposed:

It is proposed to pay the existing remuneration as set out in the resolution.

6. 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):

The remuneration payable to the Whole-time Directors has been benchmarked with the remuneration being drawn by similar positions in Hospitality Industry and has been considered by the Nomination & Remuneration Committee of the Company at their meeting held on August 13, 2016.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

As on 31st March, 2016, Mr. Varun Reddy is holding 2081000 Equity Shares of the Company. Except to the extent of shareholding he does not have any other pecuniary relationship with the Company. Sri Rajeev Reddy, Chairman and Managing Director, Sri Siddharth Reddy, Vice Chairman Joint Managing Director and Chief Executive Officer and Smt Manjula Reddy, Director are relatives to him within the meaning of the Companies Act, 2013

III. Other information:

(1) Reasons of loss or inadequate profits:

As the Company's offering is a discretionary Spend item, appears to be sensitive to economic fluctuations. Company's Customers are middle class, who may be more sensitive to economic downturns than relatively affluent customer.

(2) Steps taken or proposed to be taken for improvement:

In tune with the changing trends the Company has expanded its services to the Customers by introducing different schemes to meet the growing demands in the market and to achieve enhanced revenue and profitability.

(3) Expected increase in productivity and profits in measurable terms:

Company is expected to increase turnover and profitability by 5 to 10%.

Item # 5:

The Company has availed rupee term loan facilities of an aggregate sum of Rs.75,00,00,000(Rupees Seventy Five crores only) ("Original Term Loan ")from Canara Bank ("said Bank"), on the terms and conditions contained in the term loan agreement dated 17th October, 2013 ("Existing Term Loan Agreement").

The said Bank has disbursed the Original Term Loan to the extent of Rs. 49.91 crores (Rupees Forty Nine Crores and Ninety One Lakhs only) (hereinafter referred to as "Disbursed Loan") to the Borrower and the undisbursed amount of the Original Term Loan aggregating to the extent of Rs. 25.09 crores (Twenty Five Crores and Nine Lakhs only) has been cancelled vide sanction letter bearing ref. no. SPCBMF/ADV/VM/CR-CCIL/1015/2014 and dated July 07, 2014.

The Borrower has repaid the Disbursed Loan to the extent of Rs. 2.54 (Rupees Two Crores and Fifty Four Lakhs only). The Borrower has approached the said Bank for certain reliefs and concessions owing to its operational difficulties. The outstanding liability of the Borrower as of December 01, 2015 stood at Rs. 47.37 crores (Rupees Forty Seven Crores and Thirty Seven Lakhs only) ("Loan") which the said Bank has agreed to restructure in accordance with the modified sanction letter dated SPCBMF/ADV/VM/CR-CCIL/295/2014 dated June 07, 2016 ("Sanction Letter"), as amended from time to time.

One of the terms and conditions of the Sanction Letter is that the said Bank shall have a right to enforce Strategic Debt Restructuring ("SDR")in terms of RBI circular No. DBR.BP.BC.NO.101/21.04.132/2014-15 dated June 08, 2015, as modified/amended from time to time ("RBI Circular"), which have directed banks to incorporate such provision in all the loan agreements including existing agreements by amending the same.

The proposed SDR clause, subject to further modifications suggested by the said Bank at the time of execution of amendment documents, shall be as follows:

"Notwithstanding anything to the contrary contained in this Agreement, in the event of formation of a joint lenders forum in terms of the Distressed Assets Framework (RBI's Framework for Revitalising Distressed Assets in the Economy dated 26 February 2014 read with the Strategic Debt Restructuring Scheme issued by the RBI on 8 June 2015 as amended or modified or replaced from time to time by any rules, regulations, notifications, circulars, press notes or orders by the RBI in this regard or any other Governmental Authority in this regard), the said Bank shall have an unqualified right, to take all such actions as may be prescribed in the Distressed Assets Framework, to convert the secured obligations into paid-up equity share capital of the Borrower at any time until the currency of the Loan, in accordance with the provisions of the Applicable Laws. The Borrower shall in accordance with the scheme formulated by the said Bank and other banks for such conversion in terms of the Distressed Assets Framework, create, offer, issue and allot in one or more tranches, such number of fully paid-up equity shares of the Borrower as may be prescribed in the scheme (hereinafter referred to as the "SDR Clause")."

The proposed resolution is an enabling resolution under the provisions of Section 62(3) and other applicable provisions of

the Companies Act, 2013 in view of the fact that under the lending arrangements, in the event of default, the said Bank is entitled at its option to convert the entire or part of the outstanding loan into ordinary equity shares of the Borrower Company in accordance with the applicable SEBI Regulations. Accordingly prior approval of the members by way of special resolution is being sought for the said resolution.

None of the Directors and the Key Managerial Personnel of the Company and their Relatives maybe deemed to be concerned or interested in the resolution, except to the extent of their respective shareholdings in the Company.

Item No. 6:

The Company has availed rupee term loan facilities of an aggregate sum of **Rs. 50,00,00,000 (Rupees Fifty Crores only) ("Original Term Loan ")** from Central Bank of India ("**said Bank**"), on the terms and conditions contained in the term loan agreement dated 17th October, 2013 ("**Existing Term Loan Agreement**").

The said Bank has disbursed the Original Term Loan to the extent of Rs. 48.92 Crores (Forty Eight Crores and Ninety Two Lakhs only) (hereinafter referred to as "**Disbursed Loan**") to the Borrower.

The Borrower has repaid the Disbursed Loan to the extent of Rs. 3.06 (Rupees Three Crores and Six Lakhs only). The Borrower has approached the said Bank for certain reliefs and concessions owing to its operational difficulties. The outstanding liability of the Borrower as of December 01, 2015 stood at Rs. 48.92 crores (Rupees Forty Eight Crores and Ninety Two Lakhs only) ("**Loan**") however, Bank has agreed to restructure Loan in accordance with the modified sanction letter dated CFB/NP/2016-17/261 dated June 23, 2016 ("**Sanction Letter**"), as amended from time to time.

One of the terms and conditions of the Sanction Letter is that the said Bank shall have a right to enforce Strategic Debt Restructuring ("**SDR**") in terms of RBI circular No. DBR.BP.BC.NO.101/21.04.132/2014-15 dated June 08, 2015, as modified/amended from time to time ("**RBI Circular**"), which have directed banks to incorporate such provision in all the loan agreements including existing agreements by amending the same.

The proposed SDR clause, subject to further modifications suggested by the said Bank at the time of execution of amendment documents, shall be as follows:

"Notwithstanding anything to the contrary contained in this Agreement, in the event of formation of a joint lenders forum in terms of the Distressed Assets Framework (RBI's Framework for Revitalising Distressed Assets in the Economy dated 26 February 2014 read with the Strategic Debt Restructuring Scheme issued by the RBI on 8 June 2015 as amended or modified or replaced from time to time by any rules, regulations, notifications, circulars, press notes or orders by the RBI in this regard or any other Governmental Authority in this regard), the said Bank shall have an unqualified right, to take all such actions as may be prescribed in the Distressed Assets Framework, to convert the secured obligations into paid-up equity share capital of the Borrower at any time until the currency of the Loan, in accordance with the provisions of the Applicable Laws. The Borrower shall in accordance with the scheme formulated by the said Bank and other banks for such conversion in terms of the Distressed Assets Framework, create, offer, issue and allot in one or more tranches, such number of fully paid-up equity shares of the Borrower as may be prescribed in the scheme (hereinafter referred to as the "**SDR Clause**")."

The proposed resolution is an enabling resolution under the provisions of Section 62(3) and other applicable provisions of the Companies Act, 2013 in view of the fact that under the lending arrangements, in the event of default, the said Bank is entitled at its option to convert the entire or part of the outstanding loan into ordinary equity shares in the Borrower in accordance with the applicable SEBI Regulations. Accordingly prior approval of the members by way of special resolution is being sought for the said resolution.

None of the Directors and the Key Managerial Personnel of the Company and their Relatives may be deemed to be concerned or interested in the resolution, except to the extent of their respective shareholdings in the Company.

**For and on behalf of the Board
For Country Club Hospitality & Holidays Limited**

**Y. Varun Reddy
Vice Chairman, JMD & COO
DIN: 01905757**

Place: Hyderabad
Date: 13th August, 2016

Additional information

(As per Regulation 36 (3) of SEBI (LODR) Regulations, 2015)

As required under the Listing Regulations, the particulars of Directors who seek appointment/re-appointment are given below:

1 Name : Sri Y. Siddharth Reddy
DIN : 00815456
Age : 33 Years
Qualification : Degree in Finance from University of Texas, Austin
Expertise : Experience in Financial Planning and Financial Management
Other Directorships : 9 Public Companies & 3 Private Companies
1. Country Condo's Limited
2. Bright Resorts Private Limited*
3. Club Arzee Limited
4. International Country Holidays Private Limited*
5. Jade Resorts Private Limited*
6. Kolet Resort Club Private Limited*
7. Maruti Waterpark & Entertainments Pvt Ltd*
8. Swami Vivekanand Training And Education Centre Private Limited*
9. Swimwel Investment And Trading Private Limited*
10. Apurva Holiday Homes Private Limited
11. New Era Heights Private Limited
12. Country World Realty Private Limited

Membership(s) / Chairmanship(s) of
Board Committees in other Companies : 1 (CSR Committee)
Share holding in the Company : 3526750 (2.16%)

2 Name : Sri Y. Varun Reddy
DIN : 01905757
Age : 31 Years
Qualification : B.A (Eco), B.A (Corporate Communication)
Expertise : Marketing and Corporate Communication
Other Directorships : 9 Public Companies & 3 Private Companies
1. Country Condo's Limited
2. Bush Betta Holiday Ownership Wildlife Adventure Resort Private Limited*
3. Chanakyapuri Resorts Private Limited*
4. Club Arzee Limited
5. J. J Arts and Entertainments Private Limited*
6. Kolet Resort Club Private Limited*
7. Maruti Waterpark & Entertainments Pvt Ltd*
8. Swami Vivekanand Training And Education Centre Private Limited*
9. Swimwel Investment And Trading Private Limited*
10. Zen Garden Hotel Private Limited
11. Country Club World Tours & Travels Private Limited.
12. International Country Holidays Private Limited

Membership(s) / Chairmanship(s) of
Board Committees in other Companies : NIL
Shareholding in the Company : 2081000 (1.27%)

NOTE: * Private Companies which are Subsidiary of Public Company

Directors' Report

To
The Members of
M/s. Country Club Hospitality & Holidays Limited

The Directors are pleased in presenting the 25th Annual Report of the Company together with Audited Annual Accounts for the year ended 31st March, 2016.

Financial Results

(Rupees in Lakhs)

Particulars	Consolidated (Mar' 16)		Standalone (Mar' 16)	
	Current Year	Previous Year	Current Year	Previous Year
Total Income	53308.11	50046.83	29328.57	27318.08
Operating profit before interest, depreciation and tax	12940.06	12111.71	5850.75	5304.98
Interest	4814.39	4911.06	3984.69	4059.83
Depreciation	4328.91	4000.35	1971.11	1899.99
Profit before taxation	3796.75	3200.30	(105.06)	(654.84)
Tax	1016.73	523.10	959.95	474.35
Profit after taxation	2780.02	2677.20	(1065.01)	(1129.18)
Transfer to General Reserves	Nil	Nil	Nil	Nil
Provision for dividend	Nil	Nil	Nil	Nil
Provision for dividend tax	Nil	Nil	Nil	Nil
Surplus carried to Balance Sheet	2780.02	2677.20	Nil	Nil

Statement of Affairs and Operations:

During the year under review, the Consolidated turnover of the Company was Rs.533.08 Crores as compared to Rs.500.46 Crores for the previous year. The Company is constantly striving to improve its membership, and hopes to achieve better results in the forthcoming year.

Consolidated Profit before Tax increased by 18.5 % from Rs.3200.30 Lacs for the FY 2014-15 to Rs.3796.75 Lacs in the FY 2015-16.

Consolidated Profit after Tax increased by 4% from Rs.2677.20 Lacs for the FY 2014-15 to Rs.2780.02 Lacs in the FY 2015-16.

Outlook:

India's travel and tourism industry is one of the most profitable industries in the country, and also credited with contributing a substantial amount of foreign exchange. Indian tourism offers a potpourri of different cultures, traditions, festivals and places of interest.

The country is one of the favorite tourist destinations from the year 2009 and will continue to be one of the favorite till 2018, in accordance to world travel and tourism Council (WTTC). Further, the Travel and Tourism Competitiveness Report by World Economic Forum, has ranked India at the sixth place in tourism and hospitality.

Key segments of the Indian tourism and hospitality industry are:

- Accommodation and catering
- Transportation
- Attractions
- Travel agents
- Tour operators

The Indian tourism industry has been on an upswing for last few years partially due to an excellent 'Incredible India' campaign and is expected to Rise up to US\$ 431.7 billion by the end of 2020.

The presence of world-class hospitals and skilled medical professionals make India a preferred destination for medical tourism. Tour operators are teaming up with hospitals to tap this market.

Cruise shipping is one of the most dynamic and fastest growing components of the global leisure industry. India, with its vast and beautiful coastline, virgin forests, and undisturbed idyllic islands can be a fabulous tourist destination for cruise tourists.

India has potential to develop the rural tourism industry as most of its population resides in rural areas. This can benefit the local community economically and socially, and enable interaction between tourists and locals for a mutually enriching experience.

Number of meetings of the board:

6 Board Meetings & 4 Audit Committee Meetings were held during the Financial Year 2015-16.

The Meetings of the other committees of the Board were held during the year 2015-16:

- 1 Nomination and Remuneration Committee meeting
- 1 Stake Holders relationship Committee
- 1 Independent Directors Meeting

For details pertaining to dates attendance of Directors for the said Meetings, please refer to the corporate governance report, which forms part of this report.

Share Capital:

The Paid-up Share Capital of the Company stands at Rs.32,69,29,470 (Rupees Thirty Two Crores Sixty Nine Lakhs Twenty Nine Thousand Four Hundred and Seventy Only) as on 31st March, 2016.

The entire Paid-up Share Capital of the Company is listed with both the Stock Exchange(s) namely, M/s. BSE Limited and M/s. National Stock Exchange Of India Limited (NSE).

Management Discussion and Analysis:

Pursuant to Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, a report on the management discussion and analysis is enclosed herewith.

CONSERVATION OF ENERGY, TECHNICAL ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Additional information as required U/s 134 of the Companies Act, 2013:

(a) Conservation of energy:

- (i) Steps taken on Conservation of energy:
- (ii) Steps taken for utilizing alternate sources of energy:
- (iii) Capital Investment on energy conservation equipments:

The Company is continuously monitoring the consumption of energy and implements wherever necessary the required measures for conserving it.

(b) Technology absorption:

- (i) The efforts made towards technology absorption: No technology – indigenous or foreign – is involved.
- (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): No technology has been imported during the last three years.
- (iv) Research and development (R&D) No research and development was carried out.

c) Foreign Currency Earnings/Inflow

NIL

Foreign Currency Outflow

Rs. 23,63,02,761/-

Extracts of Annual Return and other disclosures under Companies (Appointment & Remuneration) Rules, 2014

The Extract of Annual Return in Form No. MGT-9 as per Section 134 (3) (a) of the Companies Act, 2013 read with Rule 8 of Companies Act (Accounts) Rules 2014 and Rule 12 of Companies (Management & Administration) Rules, 2014 duly certified by the Practising Company Secretary is annexed hereto and forms part of this report.

Particulars of Employees:**Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Name of Director	Designation	Remuneration in FY 15 - 16	Remuneration in FY 14 - 15	% of increase in remuneration in 2016 as compared to 2015	Ratio of remuneration to MRE
Y. Rajeev Reddy	Chairman & Managing Director	84,00,000	84,00,000	NIL	70 times
Y. Siddharth Reddy	Vice-Chairman, JMD & CEO	30,00,000	30,00,000	NIL	25 times
Y. Varun Reddy	Vice-Chairman, JMD & COO	30,00,000	30,00,000	NIL	25 times
Key Managerial Personnel other than Directors :					
Kudligi Phaneendra Rao	Chief Financial Officer	24,00,000	18,18,000	32	20 times
Sreelatha V	Company Secretary	3,00,000	2,55,000	15	2.5 times

- The Median Remuneration of the employees of the Company during the financial year was Rs. 1,20,000/-
- In the financial year, there was an increase of 10% in the median remuneration employees.
- There are 5899 permanent Employees on the Rolls of the Company as on 31st March, 2016.
- The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee.
- The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – N.A. and
- It is hereby confirmed that the remuneration is as per the remuneration policy of the Company.

The remuneration paid to the Key Managerial Personnel of the Company is as per remuneration policy

Particulars of Employees receiving remuneration as per Rule 5(2) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

The Directors are to report that none of the employees were in receipt of remuneration of exceeding as per the limit prescribed in Rule 5(2) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Directors:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Sri. Y. Siddharth Reddy, Vice-Chairman, JMD & CEO of the Company who retire by rotation at the 25th Annual General Meeting and being eligible, offer himself for re-appointment.

Sri Y. Varun Reddy, who has completed his tenure completes as Vice-Chairman, JMD & COO on 31st July, 2016, the board has proposed to re-appoint him for a period of 5 (five) years with effect from 1st August, 2016.

Brief profile of the Director proposed to be re-appointed stating the nature of their expertise in specific functional areas, their shareholding along with other relevant details are given at the end of the Notice of the Annual General Meeting. The Board recommends their reappointment by the Members at the ensuing 25th Annual General Meeting.

None of the directors of the Company are disqualified from being appointed as directors as specified in section 164 of the Companies Act, 2013, as amended.

Statement on Declaration given by Independent Directors under Sub-Section (6) of Section 149 of the Companies Act, 2013:

The Independent Directors have submitted the Declaration of Independence, as required pursuant to Section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in Sub-Section (6) of section 149 of Companies Act, 2013.

Directors' Responsibility Statement:

Pursuant to the requirements under Section 134 of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- (a) that in the preparation of the annual accounts for the Financial year ended 31st March, 2016, the applicable accounting standards have been followed;
- (b) that the directors 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 as at 31st March, 2016, and Profit and Loss Statement of the Company for that period;
- (c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the directors have prepared the annual accounts for the financial year ended 31st March, 2016, on a going concern basis;
- (e) that the directors have laid down internal controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) that 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;

Related Party Transactions:

All the related party transactions are entered on arms length basis and are in compliance with the applicable provisions of the Act and the Listing Agreement/Regulations. There are no materially significant related party transactions made by the Company during the Financial Year 2015-16 which may have the potential conflict with the interest of the company at large.

Thus disclosure in Form AOC-2 is not required.

Auditors:

M/s. P. Murali & Co., Chartered Accountants, Statutory Auditors of the Company, the statutory Auditors of the Company, who holds office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment as per section 139 of Companies Act, 2013.

M/s. P. Murali & Co., have expressed their willingness to get re-appointed as the statutory auditors of the Company and furnished their certificate of eligibility and consent for their re-appointment under section 141 of the Companies Act, 2013 and the rules framed there under. The Board based upon the recommendations of the Audit committee recommends the appointment of M/s. P. Murali & Co., as the statutory auditors of the Company.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Types of Committees:

The Company has 4 different Committees, they are:

- a) Audit Committee

Composition of the Audit Committee:

The Audit Committee for the year was constituted of the following members:

	Name of the Member	Category
1.	Sri Y. Subba Rao, Chairman	} Independent Directors
2.	Sri D. V. Ratna Kishore, Member	
3.	Sri D. Krishna Kumar Raju, Member	Non-Executive Director

Mrs. V. Sreelatha, Company Secretary has acted as the Secretary to the Committee.

- b) Nomination & Remuneration Committee

The Nomination and Remuneration Committee for the year was constituted of the following members:

	Name of the Member	Category
1.	Sri K. Satyanarayana Raju, Chairman	} Independent Directors
2.	Sri Y. Subba Rao, Member	
3.	Sri D. V. Ratna Kishore, Member	

- c) Stakeholders Relationship Committee

The Stakeholders Relationship Committee was constituted of the following Directors:

	Name of the Member	Category
1.	Shri Y. Subba Rao, Chairman	} Independent Directors
2.	Shri Indukuri Venkata Subba Raju, Member	
3.	Shri D. V. Ratna Kishore, Member	

- d) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted of the following Directors:

Name of the Member		Category
1.	Sri Venkateswara Dontireddy Reddy, Chairman	} Independent Directors
2.	Sri Indukuri Venkata Subba Raju, Member	
3.	Sri Y. Siddharth Reddy, Member	

Corporate Governance:

As required by Regulation 34 of SEBI(LODR) Regulations, 2015 a separate section containing the Report on Corporate Governance together with the Certificate on the compliance with the conditions of Corporate Governance issued by the Auditors of the Company is appended hereto and they form part of this Annual Report.

Secretarial Audit

The Board of Directors have appointed M/s R. & A Associates, a firm of practicing Company Secretaries, Hyderabad as the Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial year ended 31st March, 2016 in compliance with the provisions of Section 204 of the Companies Act, 2013.

The report of the Secretarial Audit Report by M/s. R & A Associates, in Form MR-3 is enclosed as Annexure to this Report.

Replies to the observations made by the Secretarial Audit report:

The Directors noted the delay in filings and have taken the necessary steps to avoid the same in future.

The board is reforming the existing internal control systems of the Company in order to ensure foremost compliances of the applicable rules, laws and regulations

Vigil Mechanism/Whistle Blower Policy :

The Board of Directors of the Company has adopted Whistle Blower Policy. This policy is formulated to provide an opportunity to employees and an avenue to raise concerns and to access in good faith the Audit Committee, to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication, in case they observe unethical and improper practices or any other wrongful conduct in the Company, to provide necessary safeguards for protection of employees from reprisals or victimization and to prohibit managerial personnel from taking any adverse personnel action against those employees.

Details of adequacy of internal financial controls

The company has in place adequate internal financial controls with reference to financial statements. In addition, the Company has also appointed M/s. B.N & Company, Chartered Accountants as the Internal Auditors of the Company to conduct the regular Internal Audit and place its Report before the Audit Committee. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

Change in the Nature of Business:

There has been no change in the nature of business of the Company during the financial year under review.

The details of significant material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future:

No significant or material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future during the year under review

Material changes and Commitments:

There were no material changes and commitments in the business operations of the Company from the Financial Year ended 31st March, 2016 to the date of signing of the Director's Report.

Risk Management Policy

The Company has policy for identifying risk and established controls to effectively manage the risk. Further the company has laid down various steps to mitigate the identified risk.

Mechanism for Board Evaluation:

Pursuant to Regulation 17 of the SEBI(LODR) Regulations,2015 and section 134 of the Companies Act, 2013 states that the board shall monitor and review the board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies act, 2013 states that the performance evaluation of the independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The Directors evaluation was broadly based on the parameters such as understanding of the Company's vision and objective, skills, knowledge and experience, participation and attendance in Board/ Committee meetings; governance and contribution to strategy; interpersonal skills etc.

The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as evaluation of the working of its Board Committees. A structures questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligations and governance.

A meeting of the Independent Directors was also held which reviewed the performance of Non-Independent Directors, Chairman and the quality, quantity and timelines of flow of information between the Company management and Board.

Disclosure pertaining to sexual harassment of women at workplace:

During the Financial year ended 31st March, 2016 the Company has neither received any complaints nor there are any pending complaints pertaining to sexual harassment.

Subsidiary Companies:

Pursuant to Section 129(3) of the Companies Act, 2013, a statement consisting salient features of financial statements of subsidiaries, associates and joint venture companies in Form AOC-1 is attached. The Company has twenty two (22) subsidiary outfits as on 31st March, 2016:

Domestic Subsidiaries:

1. Aquarian Realtors Private Limited
2. Bush Betta Holiday Ownership Wildlife Adventure Resort Private Limited
3. Bright Resorts Private Limited
4. Chanakyapuri Resorts Private Limited
5. Club Arzee Limited
6. International Country Holidays Private Limited
7. Jade Resorts Private Limited*
8. J J Arts & Entertainments Private Limited
9. Kolet Resort Club Private Limited*
10. Maruti Waterpark and Entertainments Private Limited
11. Country Vacations International Limited, India
12. Swami Vivekanand Training and Education Centre Private Limited
13. Swimwel Investment and Trading Private Limited

International Subsidiaries:

1. Country Club Babylon Resort Private Limited, Sri Lanka
2. Country Vacations International Limited, Dubai
3. Country Vacations International LLC, Dubai*
4. Country Vacations International LLC, Oman*
5. Country Vacations International LLC, Abu Dhabi*
6. Country Vacations International W.L.L, Bahrain*
7. Country Club and Vacations WLL, Qatar*
8. Country Vacations International SDN BHD, Malaysia*
9. Country Vacations International Limited, London*

* Has become subsidiary of the Company under Section 2(87) of the Companies Act, 2013.

The Ministry of Corporate Affairs (MCA) has through its General Circular No. 2/2011 dated 08th February 2011, has granted general exemption to all the Companies from the requirement to attach various documents in respect of Subsidiary Companies, as set out in sub-section (1) of Section 212 of the Companies Act 1956. Accordingly Balance sheet, Profit and Loss Account and other documents of the Subsidiary Companies are not being attached with the balance sheet of the Company.

Further your Company hereby undertakes that Annual Accounts of the Subsidiary Companies and the related detailed information shall be made available to the Shareholders of the Company and Subsidiary Companies seeking such information at any point of time. The Annual Accounts of the Subsidiary Companies shall also be kept open for inspection by the Shareholders at the Registered Office of the Company and of the Subsidiary Companies concerned. The Company shall furnish a hard copy of details of Accounts of Subsidiaries to any shareholder on demand.

Personnel:

The relationship between the management and the staff was very cordial throughout the year under review. Your Directors take this opportunity to record their appreciation for the cooperation and loyal services rendered by the employees.

Deposits:

The Company has not accepted any deposits, during the year under review.

Particulars of Loans, Guarantees and Investments:

The Company has invested in M/s. Country Club World Tours and Travels Private Limited in the year 2015-16 upto the tune of INR 11,000/-.

Acknowledgments:

Your Directors wish to place on record their appreciation for the support extended by government authorities, bankers, customers and shareholders of the Company.

Your Directors also wish to place on record their appreciation for the sincere services rendered by the employees of your Company during the year. Their dedication, teamwork and efficiency have been commendable.

**For and on behalf of the Board
For Country Club Hospitality & Holidays Limited**

Place: Hyderabad
Date: 13th August, 2016

**Y. Varun Reddy
Vice Chairman, JMD & COO
DIN: 01905757**

**Y. Siddharth Reddy
Vice-Chairman, JMD & CEO
DIN: 00815456**

Annexures To Directors' Report

Annexure-I

EXTRACT OF ANNUAL RETURN (MGT-9) as on the financial year ended on 31st March 2016
[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 : L70102AP1991PLC012714
- ii) Registration Date : 17.05.1991
- iii) Name of the Company : Country Club Hospitality & Holidays Limited
- iv) Category / Sub-Category of the Company : Company limited by Shares & Indian
Non Government Company
- v) Address : Amrutha Castle, 5-9-16, Saifabad, Opp Secretariat, Hyderabad-500 063,
Telangana, India
- vi) Whether listed company Yes / No : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Aarthi Consultants Private Limited
1-2-285, Domalguda, Hyderabad, Telangana- 500 029
040-27638111, 27634445

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 & Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Hospitality Services	5510	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

No. of Companies for which information is being filled:

S.No	NAME AND ADDRESS OF THE COMPANY	CIN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Aquarian Realtors Private Limited	U70101GA1995PTC001789	Subsidiary	100	2 (87)
2	Bright Resorts Private Limited	U55102KL1992PTC006863	Subsidiary	100	2 (87)
3	Bush Betta Holiday Ownership Wildlife Adventure Resort Private Limited	U24222KA1996PTC019942	Subsidiary	100	2 (87)
4	Chanakyapuri Resorts Private Limited	U55103WB2000PTC092219	Subsidiary	100	2 (87)
5	Club Arzee Limited	U50101GJ1996PLC029970	Subsidiary	100	2 (87)
6	Country Vacations International Limited	U85110TG2005PLC047136	Subsidiary	100	2 (87)
7	International Country Holidays Private Limited	U55101MH1984PTC032585	Subsidiary	100	2 (87)
8	Jade Resorts Private Limited	U55101TN1996PTC037201	Step Down Subsidiary	100	2 (87)
9	J J Arts And Entertainments Private Limited	U92199KL2001PTC015098	Subsidiary	100	2 (87)
10	Kolet Resort Club Private Limited	U67120GJ1995PTC026712	Step Down Subsidiary	100	2 (87)

11	Maruti Waterpark And Entertainments Private Limited	U92199KA2003PTC032367	Subsidiary	100	2 (87)
12	Swami Vivekanad Training And Education Centre Private Limited	U55101MH1997PTC112380	Subsidiary	100	2 (87)
13	Swimwel Investment And Trading Private Limited	U55101MH1981PTC025856	Subsidiary	100	2 (87)
14	Country Club Babylon Resorts Private Limited	N.A.	Subsidiary	100	2 (87)
15	Country Vacations International Limited, Dubai	N.A.	Subsidiary	100	2 (87)
16	Country Vacations International LLC, Dubai*	N.A.	Step Down Subsidiary	100	2 (87)
17	Country Vacations International LLC, Oman*	N.A.	Step Down Subsidiary	100	2 (87)
18	Country Vacations International LLC, Abu Dhabi*	N.A.	Step Down Subsidiary	100	2 (87)
19	Country Vacations International W.L.L, Bahrain*	N.A.	Step Down Subsidiary	100	2 (87)
20	Country Club and Vacations WLL, Qatar*	N.A.	Step Down Subsidiary	100	2 (87)
21	Country Vacations International SDN BHD, Malaysia*	N.A.	Step Down Subsidiary	100	2 (87)
22	Country Vacations International Limited, London*	N.A.	Step Down Subsidiary	100	2 (87)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a. Individual/HUF	120637386	0	120637386	73.8	120637386	0	120637386	73.8	0
b. Central Govt	0	0	0	0	0	0	0	0	
c. State Govt (s)	0	0	0	0	0	0	0	0	
d. Bodies Corp.	0	0	0	0	0	0	0	0	
e. Banks / FI	0	0	0	0	0	0	0	0	
f. Any Other....									
Sub-total (A) (1):-	120637386	0	120637386	73.8	120637386	0	120637386	73.8	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	
b) Other – Individuals	0	0	0	0	0	0	0	0	
c) Bodies Corp.	0	0	0	0	0	0	0	0	
d) Banks / FI	0	0	0	0	0	0	0	0	
e) Any Other....	0	0	0	0	0	0	0	0	
Sub-total (A) (2):-									
Total shareholding of Promoter	0	0	0	0	0	0	0	0	
(A) =	120637386	0	120637386	73.8	120637386	0	120637386	73.8	0
(A)(1) + (A)(2)									

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	
b) Banks / FI	4750	0	4750	0.00	379135	0	379135	0.23	0.23
c) Central Govt	0	0	0	0.00	0	0	0	0.00	
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	
g) FIs	1872083	0	1872083	1.15	847083	0	847083	0.52	0.98
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	
Sub-total (B)(1):-	1876833	0	1876833	1.15	1226218	0	1226218	0.75	1.21
2. Non-Institutions									
a) Bodies Corp.	5804062	37500	5841562	0.77	3273841	37500	3311341	2.03	(1.26)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	19343227	2266483	21609710	13.22	24619491	2334583	26954074	16.49	(3.27)
ii) Individual shareholders holding share capital in excess of Rs 2 lakh	11667265	110500	11269427	7.21	9153154	0	9153154	5.6	1.61
c) Others									
i) NRI's	679958	156500	836458	0.51	725648	156500	882148	0.54	0.03
ii) Clearing Members	835021	0	835021	0.51	1250414	0	1250414	0.76	(0.25)
iii) Trusts	50000	0	50000	0.03	50000	0	50000	0.03	0.00
Sub-total (B)(2):-	38379533	2570983	40950516	25.05	39072548	2528583	41601131	25.45	(0.40)
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
	40256366	2570983	42827349	26.20	40298766	2528583	42827349	26.20	0.00
C. Shares held by Custodian for GDRs & ADRs									
	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	160893752	2570983	163464735	100	160936152	2528583	163464735	100	0.00

B. Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of 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	% change in share holding during the year
1	Y. Rajeev Reddy	106337986	65.05	0.00	106337986	65.05	0.00	0.00
2	Y. Manjula Reddy	6654525	4.07	0.00	6654525	4.07	0	0.00
3	Y. Siddharth Reddy	3526750	2.16	0.00	3526750	2.16	0	0.00
4	Y. Varun Reddy	2081000	1.27	0.00	2081000	1.27	0	0.00
5	Y. Nikhila Reddy	2037125	1.25	0.00	2037125	1.25	0	0.00
	Total	120637386	73.80	0.00	120637386	73.80	0	0.00

C. Change in Promoters' Shareholding:

Sl No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year	120637386	73.80	120637386	73.80
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat 99 equity etc):	NIL	NIL	NIL	NIL
3	At the End of the year	120637386	73.80	120637386	73.80

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

Sl No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Emerging India Focus Funds	900000	0.55	0	0
2	Goldman Sachs Investments (Mauritius) I Limited	797083	0.49	797083	0.49
3	Priority Securities Private Limited	788260	0.48	788260	0.48
4	ANFIN INVESTMENTS PRIVATE LIMITED	713950	0.44	0	0
5	Ketan Babulal Jain	561300	0.34	419257	0.26
6	Top Class Capital Markets Private Limited	447695	0.27	0	0
7	Moneyplex Securities Private Limited	429566	0.26	315342	0.19
8	Beenu Gupta	350000	0.21	215000	0.13
9	Shah Manish Ramanlal	343832	0.21	343832	0.21
10	Kaushal Shah	339745	0.21	289173	0.18
11	MANISH KUMAR ARORA	5000	0.003	535000	0.33
12	RISHI GUPTA	166552	0.1	507340	0.31
13	HETAL MANISH SHAH	134630	0.08	355733	0.22
14	SHYAMSUNDER GUPTA	309339	0.19	309339	0.19
15	PORINJU V VELIYATH	0	0	300000	0.18

E. Shareholding of Directors and Key Managerial Personnel:

Sl No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Shri Y. Rajeev Reddy	106337986	65.05	106337986	65.05
2	Shri Y. Siddharth Reddy	3526750	2.16	3526750	2.16
3	Shri Y. Varun Reddy	2081000	1.27	2081000	1.27
4	Shri D. Krishna Kumar Raju	210215	0.13	210215	0.13
5	Smt Y. Manjula Reddy	6654525	4.07	6654525	4.07
6	Shri D. Venkata Ratna Kishore	0	0.00	0	0.00
7	Shri K. Satyanarayana Raju	0	0.00	0	0.00
8	Shri Indukuri Venkata Subba Raju	0	0.00	0	0.00
9	Shri Y. Subba Rao	0	0.00	0	0.00
10	Shri Venkateswara Dontireddy Reddy	0	0.00	0	0.00
11	Smt V. Sreelatha (Company Secretary)	0	0.00	0	0.00
12	Shri K. Phaneendra Rao (CFO)	0	0.00	0	0.00

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				
i) Principal Amount	301,01,69,512	40,78,18,628	98,21,498	342,78,09,638
ii) Interest due but not paid	2,01,95,872			2,01,95,872
iii) Interest accrued but not due	2,91,88,570			2,91,88,570
Total (i+ii+iii)	305,95,53,954	40,78,18,628	98,21,498	347,71,94,080
Change in Indebtedness during the financial year				
• Addition				
• Reduction	(21,20,41,430)	(6,92,139)	(21,50,000)	(21,48,83,569)
Net Change	(21,20,41,430)	(6,92,139)	(21,50,000)	(21,48,83,569)
Indebtedness at the end of the financial year				
i) Principal Amount	279,13,69,115	40,71,26,489	76,71,498	320,61,67,102
ii) Interest due but not paid	2,94,76,816			2,94,76,816
iii) Interest accrued but not due	2,66,66,593			2,66,66,593
Total (i+ii+iii)	284,75,12,524	40,71,26,489	76,71,498	326,23,10,511

VI A. Remuneration to Directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Sri Y. Rajeev Reddy	Sri Y. Siddharth Reddy	Sri Y. Varun Reddy	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	36,00,000	30,00,000	30,00,000	96,00,000
2	Stock Option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission - as % of profit - others, specify...	-	-	-	
5	Others, please specify	48,00,000 (Brand Ambassador fee)	-	-	48,00,000
	Total (A)	84,00,000	30,00,000	30,00,000	1,44,00,000
	Ceiling as per the Act				

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Sri. D. Venkata Ratna Kishore	Sri K. Satyanarayana Raju	Shri Venkateswara Dontireddy Reddy	Sri Indukuri Subba Raju	Sri Y. Subba Rao	Sri D. Krishna Kumar Raju	
1.	Independent Directors							
	• Fee for attending board / committee meetings	0	0	0	0	0	0	0
	• Commission	0	0	0	0	0	0	0
	• Others, please specify	0	0	0	0	0	0	0
	Total (1)	0	0	0	0	0	0	0
2.	Other Non-Executive Directors							
	• Fee for attending board / committee meeting	0	0	0	0	0	0	0
	• Commission	0	0	0	0	0	0	0
	• Others, please specify	0	0	0	0	0	0	0
	Total (2)	0	0	0	0	0	0	0
	Total (B)=(1+2)	0	0	0	0	0	0	0
	Total Managerial Remuneration	0	0	0	0	0	0	0
	Overall Ceiling as per the Act							

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

Sl. 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 (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, 196	3,00,000	24,00,000	27,00,000
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify	0	0	0
	Total	3,00,000	24,00,000	27,00,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of penalty/ punishment/ compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
A.COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B.DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C.OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Annexure II

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
**The Members,
Country Club Hospitality and Holidays Limited,
Amrutha Castle, 5-9-16, Saifabad, Secretariat,
Hyderabad, Telangana - 500063**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by COUNTRY CLUB HOSPITALITY & HOLIDAYS LIMITED, (hereinafter called "the Company"), formerly known as COUNTRY CLUB INDIA LIMITED. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment. However there were no instances of External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):—
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) **Regulations, 2011;**
 - (b) The erstwhile Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading) **Regulations, 2015**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit period)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014; **(Not applicable to the Company during the Audit Period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) **Regulations, 1993 regarding the Companies Act and dealing with client**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period); and**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period).**

(vi) Relying on the representations given by the Company and its officers with regard to other laws specifically applicable to the Company and its compliance and the limited review done by us and as confirmed by the Company, the following laws apply to the Company:

- ❖ Food Safety & Standards Act, 2006 and its rules and regulations;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The erstwhile Listing Agreement entered into by the Company with Bombay Stock Exchange, National Stock Exchange and the Securities and Exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified with effect from 1st of December, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations/qualifications / reservations:

1. As required under the Foreign Exchange Management Act (Transfer or Issue of any Foreign Security) Regulations, 2004 (as amended from time to time) and the relevant circulars issued thereunder, the Company is yet to file Annual Performance Report in respect of its investment in one of its Wholly-owned Subsidiary and the Annual Performance Report in respect of other Wholly-owned Subsidiary has been filed after the due date.
2. As per the requirement under Foreign Exchange Management (Transfer or Issue of any Security to the Person Resident Outside India) Regulations, 2000 (as amended from time to time) and the relevant circulars issued thereunder, the Annual Return on Foreign Liabilities and Assets for the Financial Year 2014-15 is yet to be filed with the Reserve Bank of India. Further in regard to the transaction involving transfer of the shares held by the Company in one of its Wholly-owned Subsidiary to its other Wholly-owned Subsidiary, the same is not in line with the provisions the Foreign Exchange Management Act, 1999 and the regulations made there under.
3. The Financial Statements for the Financial Year 2014-15 do not disclose properly the investments made / loans granted as per Section 129 read with Schedule III of the Companies Act, 2013 and the same was signed by the CEO, auditors and directors but the signature of the CFO was not present on the printed copy. The company presented signed hard copies with the signature.

We further report that;

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

Adequate notice of at least seven days is given to all directors to schedule the Board Meetings, the agenda and detailed notes on agenda were generally sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For and Behalf of R & A Associates

R. Ramakrishna Gupta

Partner

FCS No.: 5523

C P No.: 6696

101 Saptagiri Residency, 1-10-98/A, Chikoti Gardens,
Begumpet, Hyderabad, Telangana, 500016

Date : 13th August, 2016

Place: Hyderabad

This report is to be read with our letter of even date, which is annexed as "Annexure – A" and forms an integral part of this report

**To,
The Members,
Country Club Hospitality & Holidays Limited,
Amrutha Castle, 5-9-16, Saifabad,
Secretariat, Hyderabad – 500016
Telangana.**

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of Country Club Hospitality & Holidays Limited ("Company"). Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. We have relied up on the information provided by the Management with respect to related party transactions for its compliance.
8. There were certain defects / delays in filing the returns / documents/ forms with the Registrar of Companies, Andhra Pradesh & Telangana.

**For and Behalf of R & A Associates
Company Secretaries,**

R. Ramakrishna Gupta

Partner

FCS No.: 5523

C P No.: 6696

101 Saptagiri Residency, 1-10-98/A

Chikoti Gardens, Begumpet

Hyderabad, Telangana, 500016

Date : 13th August, 2016

Place: Hyderabad

This report is to be read with our letter of even date, which is annexed as "Annexure – A" and forms an integral part of this report

"Annexure – III"

Pursuant to Section 129(3) of the Companies Act, 2013, a statement consisting salient features of financial statements of subsidiaries, associates and joint venture companies in Form AOC-1:

Name of the Subsidiary Company	Issued and Subscribed Share Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover / Total Income	Profit before taxation / (Loss)	Provision for taxation	Profit after taxation / loss	Pro-posed dividend	% of share-holding
Aquarian Realtors Pvt. Ltd.	1,00,000	(8,95,80,265)	51,32,38,175	51,32,38,175	NIL	5,43,58,757	(25,17,262)	36,46,546	(61,63,808)	NIL	100%
International Country Holidays Pvt. Ltd.	10,00,000	(31,02,815)	3,81,51,114	3,81,51,114	NIL	300,000	(5,48,068)	Nil	(5,48,068)	NIL	100%
Bush Betta Holiday Ownership Wildlife Adventure Resort Pvt. Ltd.	1,05,00,200	(4,35,61,662)	5,38,608	5,38,608	NIL	Nil	(12,42,939)	Nil	(1,242,939)	NIL	100%
J.J. Arts and Entertainments Pvt. Ltd.	15,00,000	(1,81,02,503)	2,87,75,816	2,87,75,816	NIL	32,92,750	(7,39,837)	1,40,350	(8,80,187)	NIL	100%
Chanakyapuri Resorts Pvt. Ltd.	70,00,000	(2,90,16,529)	2,61,75,211	2,61,75,211	NIL	14,77,206	(38,03,393)	Nil	(38,03,393)	NIL	100%
Bright Resorts Pvt. Ltd.	3,18,45,000	(8,03,10,339)	2,78,33,836	2,78,33,836	NIL	1,38,50,560	(99,11,519)		(99,11,519)	NIL	100%
Maruti Waterpark & Entertainments Pvt. Ltd.	23,24,000	6,29,102	30,48,474	30,48,474	NIL	Nil	(22,900)	Nil	(22,900)	NIL	100%
Country Vacations International Ltd. - India	5,00,000	1,58,598	40,70,114	40,70,114	NIL	Nil	(11,450)	Nil	(11,450)	NIL	100%
Swimwel Investment & Trading Pvt. Ltd.	1,00,000	(8,38,44,830)	68,95,275	68,95,275	NIL	74,89,098	(54,29,430)	Nil	(54,29,430)	NIL	100%
Swami Vivekanand Training & Education Centre Pvt. Ltd.	49,90,800	(9,83,04,694)	7,70,74,768	7,70,74,768	NIL	1,02,656	(7,46,32,546)	17,05,477	(7,63,38,022)	NIL	100%
Club Arzee Ltd.	5,72,66,000	79,88,991	8,52,74,769	8,52,74,769	NIL	2,20,14,750	(3,01,561)	1,85,729	(4,87,290)	NIL	100%
Country Club Babylon Resorts Pvt. Ltd. Srilanka '@	2,57,92,235	(3,02,29,395)	3,58,55,141	3,58,55,141	NIL	5,52,961	(33,55,135)	Nil	(33,55,135)	NIL	100%
Country Vacations International Ltd. - Dubai '#	199,61,74,211	435,95,68,688	799,57,21,935	799,57,21,935	NIL	229,60,15,208	49,26,97,008	Nil	49,26,97,008	NIL	100%

Note:

Reporting period for all the subsidiary concerned, is same as the holding company's reporting period i.e.01st Apr'2015 to 31st March'2016:

'@ Conversion rate of Srilanka Re.1/- (LKR) equal to Indian Rs.0.45671 on 31-03-2016.

Conversion rate of Dubai AED.1/- (Dhiram) equal to Indian Rs.18.0032 on 31-03-2016.

Management Discussion and Analysis

Established in 1989, the Country Club ("the Company") is a pioneer in the concept of offering 360° leisure hospitality membership services in India. A full range of Country Club specialty services include member exclusive clubbing hubs, splendid holiday destinations, trendy fitness centers and star-studded entertainment events.

The Country Club has over 50 ownership clubs, resorts and hotels in India, Middle East, Bangkok and Sri Lanka. Also, it offers over 20 member exclusive fitness centers and over 4000 holiday exchange associates and Country Vacations global hospitality associates. The massive network consists of social clubs in urban hotspots, city-centric luxurious hotels, serene wellness rejuvenation hubs, beachfront resorts, hilltop vacation homes, wildlife jungle lodges and water amusement parks.

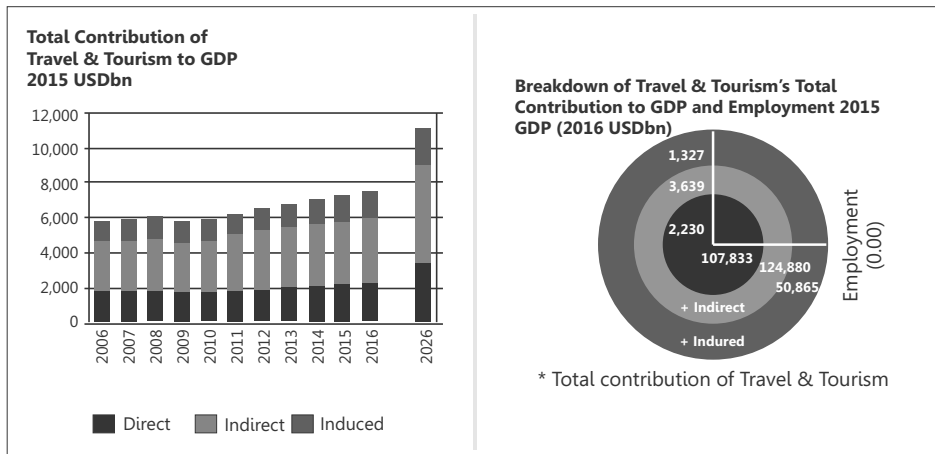
Country Club is India's biggest chain of family clubs with over 70 destinations across India, Sri Lanka, Middle East, Malaysia, Singapore, Thailand and Philippines. It is dubbed as the Powerhouse of Entertainment. The Company is recognised by the Limca Book of Records as 'India's Biggest Chain of Family Clubs'.

International tourism:

The growth of the Travel & Tourism sector in 2015 was 2.8% outpacing that of the global economy 2.3% and a number of other major sectors such as manufacturing and retail. In total, Travel & Tourism generated US \$7.2 trillion 9.8% of global GDP and supported 284 million jobs, equivalent to 1 in 11 jobs in the global economy.

However, the outlook for Travel & Tourism in 2016 remains robust, despite economic fragilities and other sources of volatility in the wider market. The sector's GDP growth contribution is expected to accelerate and again outpace growth of the wider economy. Stronger growth in 2016 is likely to be underpinned by an improving global economy. The lowest oil prices in more than a decade will continue to boost demand through lower transport costs, whilst household finances and disposable income will benefit from reduced energy costs.

All values are in constant 2015 prices & exchange rates



Indian Tourism:

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. The second-largest sub-segment of the services sector comprising trade, repair services, hotels and restaurants contributed nearly US\$ 295.7 billion or 19.2 per cent to the Gross Domestic Product (GDP) in 2015-16, while growing at 8.9 per cent year-on-year. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country.

India has moved up 13 positions to 52nd rank from 65th in Tourism & Travel competitive index@. Tourism Australia expects Indian tourist's arrivals in Australia to increase 12 per cent year-on-year to reach 245,000 visitors during FY 2015-16, thus making India the eighth largest source market for tourism in Australia.

Travel & Tourism generated 23,454,500 jobs directly in 2015 (5.5% of total employment) and this is forecast to grow by 3.2% in 2016 to 24,197,500 (5.6% of total employment). This includes employment by hotels, travel agents, airlines and other passenger transportation services (excluding commuter services). It also includes, for example, the activities of the restaurant and leisure industries directly supported by tourists. By 2026, Travel & Tourism will account for 29,629,000 jobs directly, an increase of 2.0% pa over the next ten years.

Money spent by foreign visitors to a country (or visitor exports) is a key component of the direct contribution of Travel & Tourism. In 2015, India generated INR1,249.3bn in visitor exports. In 2016, this is expected to grow by 5.3%, and the country is expected to attract 8,252,000 international tourist arrivals. By 2026, international tourist arrivals are forecast to total 16,603,000, generating expenditure of INR2,625.6bn, an increase of 7.2% pa.

Government Initiatives

The Indian government has realised the country's potential in the tourism industry and has taken several steps to make India a global tourism hub. Some of the major initiatives taken by the Government of India to give a boost to the tourism and hospitality sector of India are as follows:

- ❖ The Ministry of Tourism plans to revise its guidelines to exempt homestays from service tax or commercial levies and make their licensing process online, which is expected to encourage people to offer homestays to tourists.
- ❖ The e-Tourist Visa (e-TV) scheme has been extended to 37 more countries thereby taking the total count of countries under the scheme to 150 countries.
- ❖ The Union Cabinet has approved the signing of Memorandum of Understanding between the Ministry of Tourism of India and the Ministry of Trade Industry and Tourism of Colombia in order to boost cooperation in the field of tourism between the two countries.
- ❖ The Central Government has given its approval for signing of a Memorandum of Understanding (MoU) between India and Cambodia for cooperation in the field of tourism with a view to promote bilateral tourism between the two countries.
- ❖ Ministry of Tourism has sanctioned Rs 844.96 crore (US\$ 125.26 million) to States and Union Territories for developing tourism destinations and circuits during FY 2014-15, which includes projects relating to Product/Infrastructure Development for Destinations and Circuits (PIDDC), Human Resource Development (HRD), Fairs and Festivals & Rural Tourism.
- ❖ The Heritage City Development and Augmentation Yojana (HRIDAY) action plans for eight missions cities including Varanasi, Mathura, Ajmer, Dwaraka, Badami, Vellankini, Warangal and Amaravati have been approved by HRIDAY National Empowered Committee for a total cost of Rs 431 crore (US\$ 63.89 million).
- ❖ Government of India plans to cover 150 countries under e-visa scheme by the end of the year besides opening an airport in the NCR region in order to ease the pressure on Delhi airport.
- ❖ Under 'Project Mausam' the Government of India has proposed to establish cross cultural linkages and to revive historic maritime cultural and economic ties with 39 Indian Ocean countries.
- ❖ The Government of India plans to significantly liberalise its visa regime, including allowing multiple-entry tourist and business visas, which is expected to boost India's services exports.

Outlook:

The global economic and financial situation is recovering slowly. The large fiscal deficits and high debt ratios coupled with slow economic growth have created unsettling conditions for business and have potential for causing great volatility in financial markets. It is hard to visualise strong economic growth in the advanced economies in 2016. The implications for this, for India's strategy to return to the 8.0% growth trajectory are that public policy must promote business confidence and facilitate increased investment. Despite a positive long term view, the current business environment remains challenging. The strong macro economic outlook is expected to continue providing momentum for growth of the hotel industry in India. It should be noted that that the base for tourism in India is still very low. The sudden surge in demand for hotel accommodation over the last three years has inflated hotel rooms in the country. However, a number of international brands across all hotel segments are planning to or have recently entered the Indian market. Domestic hotel chains, too, are embarking on strong expansion and development plans across all hotel segments. As the gap between supply and demand for hotel accommodation narrows over the next few years, we expect room rates to rationalize, which would encourage leisure travel.

SWOT Analysis:

Opportunities

- ❖ Demand between the national and the inbound tourists can be easily managed due to difference in the period of

holidays. For international tourists the peak season for arrival is between September to March when the climatic conditions are suitable where as the national tourist waits for school holidays, generally the summer months.

- ❖ In the long-term the hotel industry in India has latent potential for growth. This is because India is an ideal destination for tourists as it is the only country with the most diverse topography. For India, the inbound tourists are a mere 0.49% of the global figures. This number is expected to increase at a phenomenal rate thus pushing up the demand for the hotel industry.
- ❖ Unique experience in heritage hotels.

Threats

- ❖ Guest houses replace the hotels. This is a growing trend in the west and is now catching up in India also, thus diverting the hotel traffic.
- ❖ Political turbulence in the area reduces tourist traffic and thus the business of the hotels. In India examples of the same are Insurgency in Jammu Kashmir and the Kargil war.
- ❖ Changing trends in the west demand similar changes in India, which here are difficult to implement due to high project costs.
- ❖ The economic conditions of a country have a direct impact on the earnings in hotel industry.
- ❖ Lack of training man power in the hotel industry.

Risks and Concerns:

Operational risks- Operational risks mainly relate to meeting customer expectations in terms of quality of service and maintaining a balance between the inventory of resorts and growth of customers. These assume significance given the long service duration of the key products. As there are multiple choices, both in terms of location and dates, there could be occasions where the first choice of holiday requested by the customers may not be available, which may result in dissatisfaction.

Financial risks- The Company's business involves significant investments in building resorts for its operations. These expose it to risks in terms of timely and adequate availability of funds at competitive rates to finance its growth. Besides, the Company offers its customers schemes to finance the purchase of the vacation ownership and similar products, which exposes it to credit risks. Another financial risk that the Company is exposed to is potential non-payment or delayed payment of membership instalments and/or the annual subscription fee by members resulting in higher outstanding receivables.

Economic risks- Although the macroeconomic situation appears to be stable, cyclical downturns may continue to resurface in the future. Besides, even with the current environment of stable growth and benign inflation, interest rates continue to be relatively high. As a result, consumer confidence to commit resources continue to be relatively weak. As a material portion of the Company's revenue comes from discretionary spending of consumers, this can adversely impact the Company's ability to generate sales and affect its growth prospects. The Company recognises these risks and has measures in place to mitigate the impact of adverse macroeconomic situation.

This includes focusing on pull-based strategy for customer acquisition through referrals and targeted digital marketing, which allows it to reach the right segments and at the same time ensures higher conversion to sales. The Company is also in the process of ramping up its international marketing network to increase their contribution to the sales mix. Another initiative taken during the year was introduction of a one year product 'Xperience Breaks', which allows the Company to reach out to younger prospects who are not ready to commit themselves for the longer duration offerings.

Segment-wise performance:

The Company is primarily engaged in the business of sale of Vacation Ownership and other related services in India. As such, the Company operates in a single segment and there are no separate business and geographic reportable segments for the purpose of Accounting Standard 17 on Segment Reporting.

Internal control systems and their adequacy:

The Company has an adequate internal control system, commensurate with the size and nature of its business. The system is supported by documented policies, guidelines and procedures to monitor business and operational performance which are aimed at ensuring business integrity and promoting operational efficiency. During the year under review, the Company engaged a reputed firm specialising in implementation of internal controls to test the effectiveness of existing controls (both manual and system-based) and to fix any issues related to financial reporting and key non-financial processes.

The Company has an Internal Auditor who oversees the entire internal audit function. However, given the size of its operations in terms of number of resort locations and nature of its business, it also uses services of independent audit firms to conduct periodic internal audits in line with an audit plan that is drawn at the beginning of the year. This audit plan, prepared by the Internal Auditor, is approved by the Audit Committee and the Board of Directors. The scope of the exercise includes ensuring adequacy of internal control systems, adherence to management policies and compliance with the laws and regulations of the country. The Internal Auditor also reports on the implementation of the audit recommendations.

The Company's ERP system has appropriate controls embedded in its processes and systems to reduce the need and reliance for compensating manual controls. These have also been strengthened from time to time, and the standardization has been a significant source of comfort given the number of locations in which the Company operates. Internal audit reports are placed periodically before the Audit Committee of the Board of Directors, which reviews the adequacy and effectiveness of the internal control systems and suggests improvements for strengthening them.

Financial performance with respect to operational performance:

The Company achieved a consolidated turnover of Rs. 533.08 cr.(500.47 cr) and PAT of Rs. 27.80 Cr.(Rs. 26.77 cr.). Sale of services increased to Rs. 448.86 Cr. (Rs. 420.66 cr). Income from Food & Beverages, Banquets was Rs. 25.42 cr (39.49 cr). Income from Annual Subscription Fee increased to Rs. 46.36 cr. (Rs. 37.09 cr.)

Human resource developments:

Given the highly specialised nature of the Company's business and the large number of locations where it operates, attracting and nurturing the right talent is at the core of your Company's strategy for success and growth. Accordingly, the HR function is organised into three key areas: customer acquisition, resort operations and corporate functions. During the year, focus was on building capabilities through a structured approach to drive the Company's performance. This encompassed implementing changes across all components of the HR function: recruitment, employee engagement, reward and recognition, skill upgrading, talent management, organisational culture and employee relations. The Company organizes a TOP GUN training program where promising young employees are trained to become next level managers. There are 5899 permanent Employees on the Rolls of the Company as on 31st March, 2016.

Annexure “A” to Directors' Report – “Corporate Governance”

1. Company's Philosophy:

“Corporate governance is concerned with holding the balance between economic and social goals and between individual and communal goals. The governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society.” (Sir Adrian Cadbury, UK, Commission Report: Corporate Governance 1992).

Country Club Hospitality & Holidays Limited believes that good governance is essential to achieve long term corporate goals and enhance stakeholders' value. Thus the Company's philosophy on Corporate Governance aims at attaining the highest level of transparency, accountability towards its stakeholders, including shareholders, employees, the Government and lenders and to maximize returns to shareholders through creation of wealth on sustainable basis, compliance of laws in all facets of operations leading to best standards of Corporate Governance. The Company believes that good ethics make good business sense and our business practices are set keeping with this spirit.

The Company endeavors to achieve optimum performance at all levels of management by adhering to good corporate governance practices, namely, the following:

- a) Fair and transparent business practices.
- b) Effective management control by Board.
- c) Adequate representation of Promoter, Executive and Independent Directors on the Board.
- d) Monitoring of executive performance by the Board.
- e) Compliance of Laws.
- f) Transparent and timely disclosure of financial and management information

2. Board of Directors:

The Companies Act, 2013, Clause 49 of the Listing Agreement (till November, 2015) and regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (from 1st December, 2015) govern the composition of the Board of Directors. The Board comprises a combination of Executive and Non Executive Directors. Presently it consists of Ten Directors out of which Three are Executive Directors and Two are Non-Executive and Five are Non-Executive Independent Directors. The Company has Executive Chairman. Non-Executive Directors bring independent views and judgment in the decision making process of the Board.

a) **Composition:**

The composition of Board of Directors of the Company meets the stipulated requirements. The Board consists of 10 Directors, out of which 5 are Independent Directors. Composition of the Board and category of Directors are as follows:

	Name of the Directors	Designation
Promoter Directors	Sri Y. Rajeev Reddy	Chairman & Managing Director
	Sri Y. Siddharth Reddy	Vice – Chairman, Joint Managing Director & CEO
	Sri Y. Varun Reddy	Vice – Chairman, Joint Managing Director & COO
	Smt. Y. Manjula Reddy	Non – Executive Director
Non-Executive Director	Sri D. Krishna Kumar Raju	Vice-Chairman & Non-Executive Director

Independent Director	}	Sri D. Venkata Ratna Kishore	Independent Non-Executive Director
		Sri Venkateswara Dontireddy	Independent Non-Executive Director
		Sri K. Satyanarayana Raju	Independent Non-Executive Director
		Sri Indukuri Subba Raju	Independent Non-Executive Director
		Sri Y. Subba Rao	Independent Non-Executive Director

b) Attendance of Directors at the Board meetings and the last AGM:

(i) No. of Board Meeting held during the Financial Year ended on 31st March, 2016, for which the details are as follows:

No. of Quarters	Quarter I	Quarter II	Quarter III	Quarter IV
Dates of Board Meetings	30th May, 2015	13th August, 2015	3rd November, 2015	14th February, 2016
	31st May, 2015		13th November, 2015	

The last Annual General Meeting was held on 30th September 2015.

Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and number of other Directorships and Chairmanships / Memberships of Committees of each Director in various companies:

Name of the Director	No. of Other Director--ships ¹	No. of Memberships / Chairmanships of Board Committees in other Companies ²	Attendance	
			No. of Board Meetings	Last AGM
Sri Y. Rajeev Reddy	12	NIL	6	Yes
Sri Y. Siddharth Reddy	12	NIL	6	Yes
Sri Y. Varun Reddy	12	NIL	6	Yes
Sri D. Krishna Kumar Raju	16	1	6	Yes
Smt. Y. Manjula Reddy	13	NIL	6	Yes
Sri Venkateswara Dontireddy Reddy	NIL	NIL	6	Yes
Sri D. Venkata Ratna Kishore	NIL	NIL	6	Yes
Sri K. Satyanarayana Raju	NIL	NIL	6	Yes
Sri Indukuri Subba Raju	NIL	NIL	6	Yes
Sri Y. Subba Rao	NIL	NIL	6	Yes

1) The Directorships held by Directors as mentioned above do not include Alternate Directorships and Directorships in Foreign Companies and Companies Registered under Section 8 of the Companies Act, 2013.

2) In accordance with Regulation 27 of SEBI(LODR) Regulations, 2015, Memberships / Chairmanships of only the Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Shareholders' / Investors' Grievance Committee in all Public Limited Companies (excluding Country Club Hospitality & Holidays Limited) have been considered.

a) Disclosure of relationships between inter-se:

S.No.	Name of the Director	Relationship
1	Y. Siddharth Reddy	Son of Y. Rajeev Reddy (Chairman & Managing Director)
2	Y. Varun Reddy	Son of Y. Rajeev Reddy (Chairman & Managing Director)
3	Y Manjula Reddy	Wife of Y. Rajeev Reddy (Chairman & Managing Director)

d) Details of familiarization programmes imparted to independent Directors : www.countryclubindia.net

e) Information available to the Board of Directors:

The Board of Directors of the Company are aware of all the day to day happenings of the Company, and are involved in each and every small decisions to keep the Company safe from any troubles. Following are the minimum information, from which the Board is regularly updated:

- Annual operating plans and budgets, capital budgets and updates.
- Quarterly results of our operating divisions or business segments.
- Minutes of meetings of audit, nomination & remuneration, risk management and investor grievance, corporate social responsibility committees as well as abstracts of circular resolutions passed.
- The Board minutes of the subsidiary companies.
- General notices of interest received from directors.
- Dividend data.
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of the CFO and Company Secretary.
- Materially important litigation's, show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents, dangerous occurrences, and material effluent or pollution problems.
- Any materially relevant defaults in financial obligations to and by us.
- Any issue that involves possible public or product liability claims of a substantial nature.
- Details of joint ventures, acquisitions of companies or collaboration agreements.
- Transactions that involve substantial payments towards goodwill, brand equity or intellectual property.
- Any significant development on the human resources aspects.
- Sale of material nature, of investments, subsidiaries and assets, which are not in the normal course of business.
- Details of foreign exchange exposure and the steps taken by the Management to limit risks of adverse exchange rate movement.
- Non-compliance of any regulatory, statutory or listing requirements, as well as shareholder services such as non-payment of dividend and delays in share transfer.

f) Code of Conduct:

In pursuance to Regulation 27 of SEBI Listing Regulations., the Company has adopted a Code of Conduct for all Board Members and Senior Management personnel of the Company. The Code of Conduct has been made available on our website, www.countryclubindia.net. All the members of the Board and Senior Management Personnel have affirmed their compliance with the Code of Conduct. A declaration regarding the Code of Conduct's Compliances has been given at the end of the Corporate Governance Report, signed by the Vice-Chairman, JMD & CEO.

12. Audit Committee:

The Audit Committee supports the Board in meeting its responsibilities in relation to the integrity of the Group's financial statements and associated announcements, the adequacy of internal control and risk management systems and the appointment and work of the internal and external auditors.

The Audit Committee acts as a link between the Statutory and Internal Auditors and Board of Directors. It addresses itself to matters pertaining to adequacy, accuracy and reliability of financial statements, adequacy of provisioning of liabilities, sound working capital management analysis, time and cost overruns in implementation of projection opportunities. The Committee also looks into adequacy, transparency and time.

The terms of reference of the Audit Committee are in conformity with the requirements of Section 177 of the Act and Regulation 18 of SEBI Listing Regulations.

a) Composition of the Audit Committee:

The Audit Committee for the year was constituted of the following members :

	Name of the Member	Category
1.	Sri Y. Subba Rao, Chairman	Independent Directors
2.	Sri D. V. Ratna Kishore, Member	
3.	Sri D. Krishna Kumar Raju, Member	
		Non-Executive Director

Mrs. V. Sreelatha, Company Secretary has acted as the Secretary to the Committee.

b) Attendance of Members at the Audit Committee Meetings:

During the year, Four Audit Committee Meetings were held for approval of unaudited / audited financial results on 30th May 2015; 13th August 2015; 13th November 2015 and 14th February 2016. Following are the attendance of each member in the Audit Committee Meetings:

Name of the Director	No. of Meetings	
	Held	Attended
Sri Y. Subba Rao	4	4
Sri D. V. Ratna Kishore	4	4
Sri D. Krishna Kumar Raju	4	4

c) Powers of the Audit Committee:

The Board of Directors of the company has delegated the following powers to the Audit Committee, in pursuance with Regulation 18 of SEBI Listing Regulations:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

d) Role of Audit Committee:

In current scenario, the Audit Committee plays a vital role for ensuring proper compliance and keeping the accurate financial data towards the Shareholders of the Company, for preventing the Company from scams. Therefore, to ensure the true and fair view of the Financial Information of the Company, the Audit Committee has properly complied its role as mentioned in Regulation 18 of SEBI Listing Regulations.

e) Review of information by Audit Committee:

Following information has been regularly reviewed by the Audit Committee in their meetings:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

13. Nomination and Remuneration Committee:**a) The Nomination and Remuneration Committee for the year was constituted of the following members:**

Name of the Member	Category
1. Sri K. Satyanarayana Raju, Chairman	} Independent Directors
2. Sri Y. Subba Rao, Member	
3. Sri D. V. Ratna Kishore, Member	

b) During the year, One Nomination and Remuneration Committee meetings were held on 13th August, 2015. The attendance of each member of the Committee is given below:

Name of the Director	No. of Meetings	
	Held	Attended
Sri K. Satyanarayana Raju	1	1
Sri Y. Subba Rao	1	1
Sri D. V. Ratna Kishore	1	1

Role of Remuneration Committee:

The role of remuneration committee is to decide and fix the remuneration payable to the Managing Directors/Whole-time Directors / Key Managerial Personals of the Company.

However, the remuneration of the Key Managerial Personals is subject to approval of the Board and Managing/Whole-time Directors is subject to approval of the Board and of the Company in General Meeting and such approvals as may be necessary.

The Remuneration Committee shall function in accordance with the terms of reference made by the Board of Directors, which are given as follows:

- (i). To fix the remuneration packages of Executive Directors i.e., Managing Directors and Whole-time Directors, etc., and Key Managerial Personals.
- (ii). To decide on the elements of remuneration package of all the Directors i.e. salary, benefits, bonus, stock options, pensions, etc.

Name of the Director	Relationship with other Directors	Business relationship with other Directors	Loans and advances from the Company	Remuneration paid during the Financial Year			
				Sitting Fee	Salary	Commission	Total
Sri Y. Rajeev Reddy	Related to Smt. Y. Manjula Reddy, Sri Y. Siddharth Reddy and Sri Y. Varun Reddy	Promoter Director Chairman and Managing Director	Nil	NA	36,00,000	Nil	36,00,000
Sri Y. Siddharth Reddy	Related to Sri Y. Rajeev Reddy, Smt. Y. Manjula Reddy, Sri Y. Varun Reddy	Vice-Chairman and Joint Managing Director & CEO	Nil	NA	30,00,000	Nil	30,00,000
Sri Y. Varun Reddy	Related to Sri Y. Rajeev Reddy, Smt. Y. Manjula Reddy, Sri Y. Siddharth Reddy	Vice-Chairman and Joint Managing Director and COO	Nil	NA	30,00,000	Nil	30,00,000

Apart from the above mentioned Directors remuneration, Mr. Rajeev Reddy is entitled to Brand Ambassador fee of Rs.48,00,000/- per annum.

Performance evaluation criteria:

One of the key functions of Nomination & Remuneration Committee is to evaluate the performance of executive/ Non executive Independent Directors. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement. Each Board member is requested to evaluate the effectiveness of the Board dynamics and relationships, information flow, decision-making of the directors, relationship with stakeholders, Company performance and strategy, and the effectiveness of the whole Board and its various committees. Feedback on each director is encouraged to be provided as part of the survey.

The Nomination and Remuneration Policy of the Company can be accessed at the Company's website at the link www.countryclubindia.net

Notes:

- a) The Company has not issued any Stock options.
- b) There were no service contracts/Agreements with our Directors.
- c) None of our Directors is eligible for severance pay.
- d) The terms and conditions with regard to appointments Managing Directors and Executive Directors are contained in the respective resolutions passed by the Board or Members in their respective meetings. There is no severance fees

14. Stakeholders Relationship Committee:

1) Brief Description of the terms of reference :

The terms of reference of the Stakeholder Relationship Committee are extensive covering the mandatory requirements under Regulation 20(4) read with Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, which includes attending and resolving investors' grievances / complaints of security holders included but not limited to the matters pertaining to transfer of shares, issue of duplicate share certificates, non-receipt of annual report and non-receipt of declared dividend, etc.

The Stakeholders Relationship Committee was constituted of the following Directors:

Name of the Member	Category
1. Shri Y. Subba Rao, Chairman	} Independent Directors
2. Shri Indukuri Venkata Subba Raju, Member	
3. Shri D. V. Ratna Kishore, Member	

The total number of complaints received during the year 2015 – 2016 was 05 and all the complaints were resolved. No complaints were outstanding as on 31st March, 2016.

15. Corporate Social Responsibility

The Corporate Social Responsibility Committee was constituted of the following Directors:

Name of the Member	Category
1. Sri Venkateswara Dontireddy Reddy, Chairman	} Independent Directors
2. Sri Indukuri Venkata Subba Raju, Member	
3. Sri Y. Siddharth Reddy, Member	

Since the Company does not have adequate profits for the past 3 years, the Company was unable to spend any amount towards the CSR Activities.

16. General Body Meetings:

a) Location and time of the last three AGMs (Annual General Meetings):

AGM	Year	Venue	Date	Time
24th	2014-15	Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad - 500 003	30-09-2015	11.00 A.M
23rd	2013-14	Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad - 500 003	30-09-2014	11.00 A.M
22nd	2012-13	Crown Villa Gardens (Le Palais Royal), "Ibrahim Mahal", 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad - 500 003	30-09-2013	11.00 A.M

b) Special Resolutions passed in the previous three AGMs

Date of the AGM	No. of Special resolutions passed	Details of the Special Resolutions
30th Sep, 2015	02	<ul style="list-style-type: none">To re-appoint Sri Y. Siddharth Reddy (DIN: 00815456) as Vice-Chairman, JMD & CEOTo re-appoint Sri Y. Rajeev Reddy (DIN: 00115430) as Chairman & Managing Director:
30th Sep, 2014	03	<ul style="list-style-type: none">Adoption of new Articles of Association inconformity with Companies Act, 2013Regularization of the Contract entered with M/s. Country Condo's LimitedApproval for Change of Name of the Company from "Country Club (India) Limited" to "Country Club Hospitality & Holidays Limited".
30th Sep, 2013	01	<ul style="list-style-type: none">Approval from the shareholders of the company pursuant to Section 81(1A) of the companies Act 1956, to raise the funds to an extent of USD 150 Million (US dollars One Hundred and Fifty Million only).

C) No Resolutions were passed through Postal Ballot during the financial year 2015-16:

17. Disclosures:

1. Disclosure on materially significant related-party transactions i.e. transactions of the Company of material nature with its Promoters, Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. The transaction with the related parties is mentioned under Notes to Accounts on Standalone and Consolidated Accounts in the Annual Report of the Company. None of the transaction with the related parties is in conflict with the interest of the Company.
2. Details of non-compliance by the Company, penalties and strictures imposed on it by Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets during the last three years: None
3. Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this clause:
Your Company has complied with all the mandatory requirements of the Regulation 27 of SEBI Listing Regulations. The details of these compliance's have been given in the relevant sections of this report.

Notes on Directors' appointment/re-appointment

Relevant details are given as additional Information forming part of the Notice of the Annual General Meeting/Directors' Report.

18. Means of communication:

- a) Financial Results: The Company's quarterly, half-yearly and annual results are published in newspapers as per SEBI Listing Regulations. The Annual Report and other communication will be sent to the Shareholders through Electronic Mails to those shareholders whose Email Id's are registered with their Depository Participant / RTA / Company or through post/courier.
- b) The financial and other results were published in the following newspapers at Hyderabad:
 1. Business Standard / Financial Express
 2. Andhra Prabha / Nava Telangana
- c) The results are also displayed on the Company's website: www.countryclubindia.net
- d) The website also displays the official news releases.

As per the listing requirements, the Company publishes periodical financial results in Business Standard / Financial Express in English and Andhra Prabha / Nava Telangana in Telugu.

19. Management discussion and analysis:

This has been discussed in a separate section annexed to the Directors' Report.

20. Statement pursuant to Schedule V of SEBI(Listing Obligations & Disclosure Requirements) Regulations, 2015:

The Company's equity shares are currently listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) and the Company has paid the Annual Listing Fees for the Financial Year 2015-16.

21. General shareholder information:

a) Details of 25th Annual General Meeting

Date : 30th September, 2016

Time : 11.00 A.M

Venue : Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad - 500 003

b) Financial Calendar : 2016-2017 (tentative schedule)

- (I) AGM for the financial year : Before the end of September, 2017
ended on 31st March, 2017

(ii) Adoption of quarterly results for the quarter ending:

- 30th June, 2016 : Second Week of August, 2016
- 30th September, 2016 : Second Week of November, 2016
- 31st December, 2016 : Second Week of February, 2017
- 31st March, 2017 : Before the end of May, 2017
- c) Date of book closure : 23rd September, 2016 to 30th September, 2016 (both days inclusive)**
- d) Dividend payment date(s) :** If, declared will be paid within the stipulated time as per the Act.
- e) Listing on Stock Exchanges : Presently, the Company's equity shares are listed at:**
 - Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.
 - National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051

f) Stock code/ ISIN

I) Stock Code

BSE Scrip Code	:	526550
BSE Scrip ID	:	CCHHL
NSE Symbol	:	CCHHL

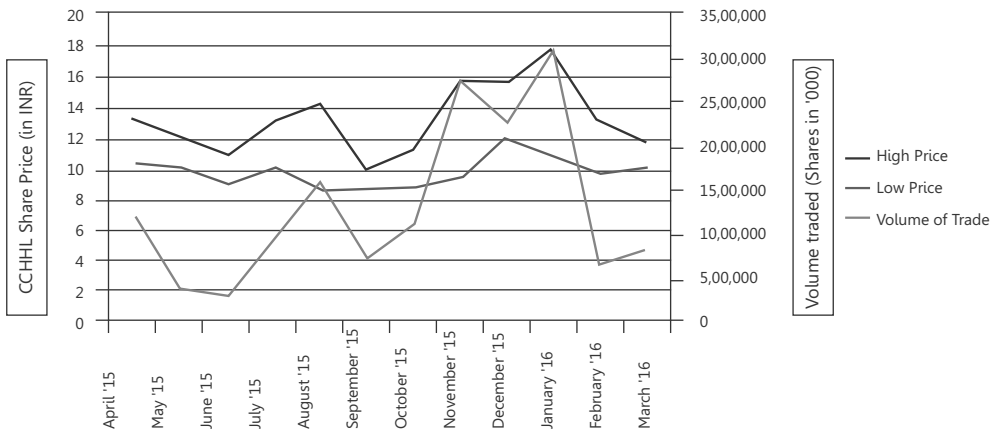
II) Demat ISIN Number

CDSL & NSDL (Equity Shares)	:	INE652 F01027
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g) Market price date high and low during each month in the last financial year:

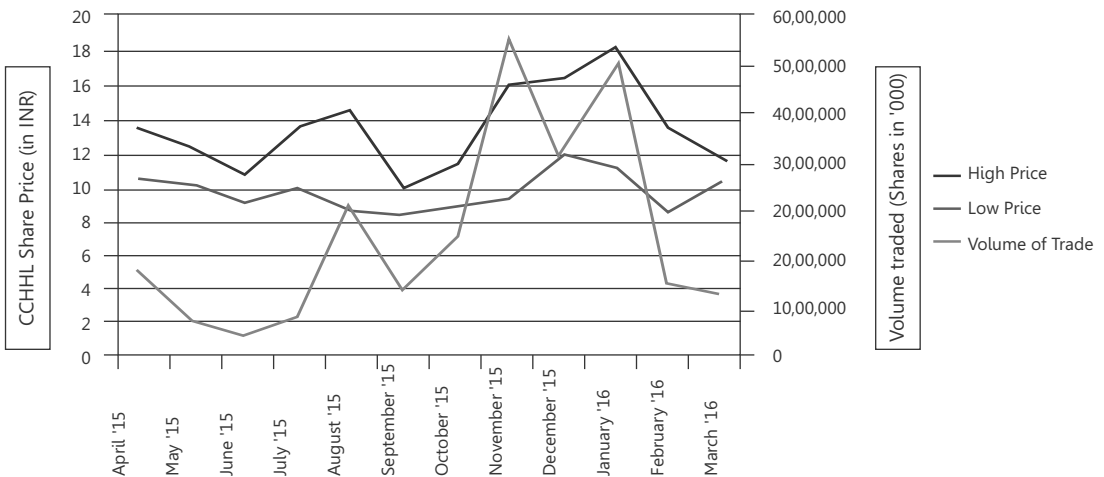
- Company's shares are being traded on BSE the high and low prices during each month are given below:

Month	Bombay Stock Exchange Limited		
	High Price (Rs.)	Low Price (Rs.)	Volume of Shares Traded
April, 2015	13.10	10.20	11,68,670
May, 2015	12.10	10.05	3,81,708
June, 2015	10.82	9.02	2,79,412
July, 2015	13.10	10.00	8,03,368
August, 2015	14.24	8.51	16,05,419
September, 2015	9.98	8.50	7,22,321
October, 2015	11.30	8.75	11,59,763
November, 2015	15.80	9.42	27,43,729
December, 2015	15.59	11.90	22,43,145
January, 2016	17.80	11.00	31,36,811
February, 2016	13.29	9.80	6,59,586
March, 2016	11.70	10.05	8,13,199



Month	National Stock Exchange of India Limited		
	High Price (Rs.)	Low Price (Rs.)	Volume of Shares Traded
April, 2015	13.20	10.30	14,94,953
May, 2015	12.20	10.10	6,38,652
June, 2015	10.60	9.00	3,74,866
July, 2015	13.25	9.70	7,06,927
August, 2015	14.30	8.40	26,16,828
September, 2015	9.85	8.20	11,57,476
October, 2015	11.30	8.80	20,58,522
November, 2015	15.80	9.25	55,37,135
December, 2015	16.00	11.80	34,95,477
January, 2016	17.90	11.00	51,79,901
February, 2016	13.35	8.40	12,70,403
March, 2016	11.80	10.10	10,78,265

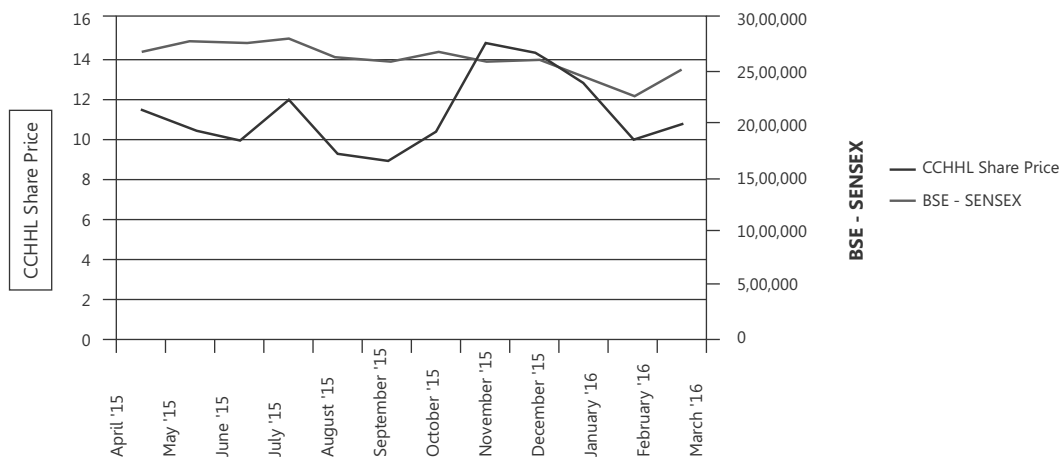
- Company's shares are being traded on NSE the high and low prices during each month for the year 2015-16 are given below:



h) Stock performance in comparison to broad based indices such as BSE Sensex:

(in INR ₹)

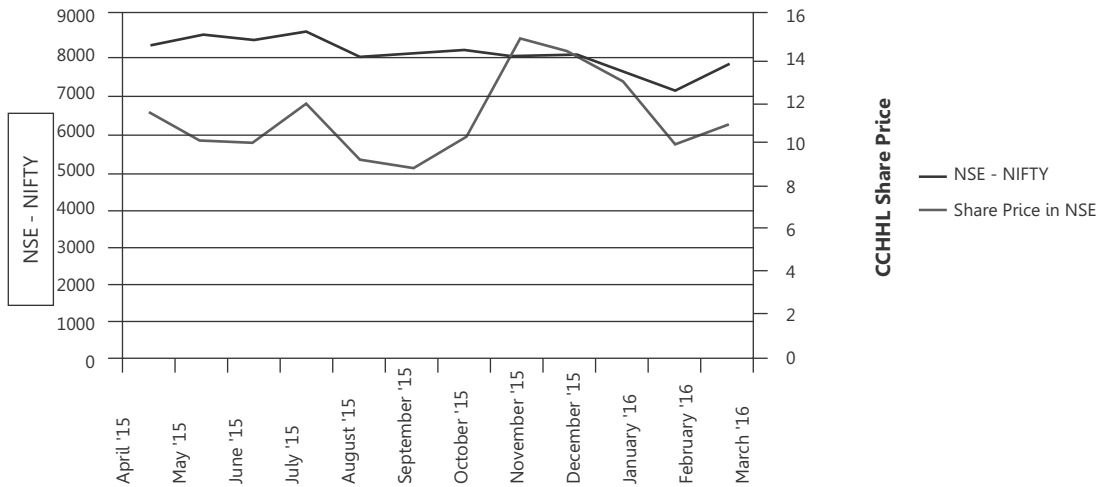
MONTH	Share Price in BSE			BSE – SENSEX		
	HIGH	LOW	CLOSE	HIGH	LOW	CLOSE
April, 2015	13.10	10.20	11.50	29,094.61	26,897.54	27,011.31
May, 2015	12.10	10.05	10.46	28,071.16	26,423.99	27,828.44
June, 2015	10.82	9.02	10.00	27,968.75	26,307.07	27,780.83
July, 2015	13.10	10.00	11.92	28,578.33	27,416.39	28,114.56
August, 2015	14.24	8.51	9.34	28,417.59	25,298.42	26,283.09
September, 2015	9.98	8.50	8.98	26,471.82	24,833.54	26,154.83
October, 2015	11.30	8.75	10.39	27,618.14	26,168.71	26,656.83
November, 2015	15.80	9.42	14.80	26,824.30	25,451.42	26,145.67
December, 2015	15.59	11.90	14.34	26,256.42	24,867.73	26,117.54
January, 2016	17.80	11.00	12.82	26,197.27	23,839.76	24,870.69
February, 2016	13.29	9.80	10.05	25,002.32	22,494.61	23,002.00
March, 2016	11.70	10.05	10.78	25,479.62	23,133.18	25,341.86



Stock performance in comparison to broad based indices such as NSE Nifty:

(in INR ₹)

MONTH	Share Price in BSE			BSE – SENSEX		
	HIGH	LOW	CLOSE	HIGH	LOW	CLOSE
April, 2015	13.20	10.30	11.45	8844.8	8144.75	8181.5
May, 2015	12.20	10.10	10.20	8489.55	7997.15	8433.65
June, 2015	10.60	9.00	10.05	8467.15	7940.3	8368.5
July, 2015	13.25	9.70	11.85	8654.75	8315.4	8532.85
August, 2015	14.30	8.40	9.30	8621.55	7667.25	7971.3
September, 2015	9.85	8.20	9.00	8055	7539.5	7948.9
October, 2015	11.30	8.80	10.35	8336.3	7930.65	8065.8
November, 2015	15.80	9.25	14.80	8116.1	7714.15	7935.25
December, 2015	16.00	11.80	14.35	7979.3	7551.05	7946.35
January, 2016	17.90	11.00	12.75	7972.55	7241.5	7563.55
February, 2016	13.35	8.40	10.05	7600.45	6869	7029.75
March, 2016	11.80	10.10	10.85	7749.4	6825.8	7735.2



i) Registrar and Transfer Agent

M/s. Aarathi Consultants Private Limited
 1-2-285, Domalguda, Hyderabad - 500 029
 Ph: 040 2763 8111; 040 2763 4445 Fax: 040 2763 2184
 Website: www.aarthicconsultants.com
 Email: info@aarthicconsultants.com

j) Share Transfer system is maintained by:

M/s. Aarathi Consultants Private Limited
 1-2-285, Domalguda, Hyderabad - 500 029
 Ph: 040 2763 8111; 040 2763 4445 Fax: 040 2763 2184
 Website: www.aarthicconsultants.com
 Email: info@aarthicconsultants.com

k) Share and Transfer System:

With a view to expedite the process of share transfers, the Board of Directors of the Company has delegated the power of share transfers to the Committee of Directors. The shares for transfer which are received in physical form are processed and the share certificates returned within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

The Company has, as per SEBI Guidelines, offered the facility of transfer-cum-demat. Under the said system, after the share transfer is effected, an option letter is sent to the transferee indicating the details of the transferred shares and requesting him, in case he wishes to demat the shares, to approach a Depository Participant (DP) with the option letter. The DP, based on the option letter, generates a demat request and sends the same to the Company along with the option letter issued by the Company. On receipt of the same, the Company de-materializes the shares. In case the transferee does not wish to de-materialise the shares, he need not exercise the option and the Company will dispatch the share certificates after 15 days from the date of such option letter.

l) Information in respect of unclaimed dividends due for remittance into Investor Education and Protection Fund (IEPF):

Investor Education and Protection Fund under Section 205A of the Companies Act, 1956, the due date for transfer of unpaid dividend amount to the Investor Education and Protection Fund (IEPF) of the Financial Year Financial Year 2008 – 09 is 29th October, 2016, for the Financial Year 2009 – 10 is 29th October, 2017, for the Financial Year 2010 – 11 is 29th October, 2018, for the Financial Year 2011 – 12 is 28th October, 2019, for the Financial Year 2012 – 13 is 29th October, 2020 and for the Financial Year 2013 – 14 is 29th October, 2021.

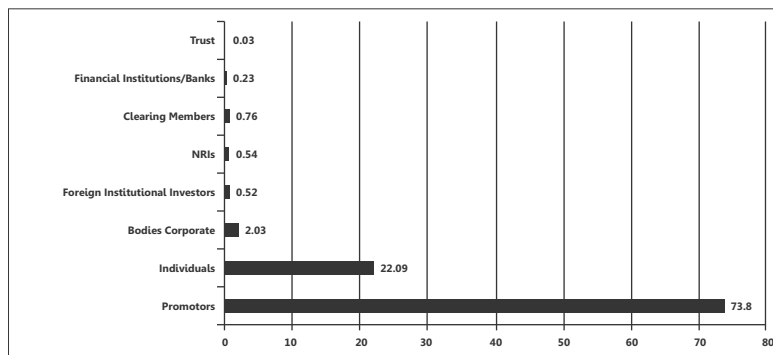
m) Distribution of Shareholdings as on 31st March, 2016:

No. of Shares Slab	No. of Shareholders		Share Amount		
	Total	%	Total No. of Shares	Total No. of Amount	Amount %
1 – 5000	15614	88.2	8971803	17943606	5.49
5001 – 10000	1052	5.94	396199	7923998	2.42
10001 – 20000	509	2.88	93949691	7899382	2.42
20001 – 30000	151	0.85	1887089	3774178	1.15
30001 – 40000	85	0.48	1567396	3134792	0.96
40001 – 50000	55	0.31	1264316	2528632	0.77
50001 – 100000	115	0.65	4147298	8294596	2.54
100001 & Above	121	0.68	137715143	275430286	84.25
TOTAL	17702	100	163464735	326929470	100

n) Shareholding Pattern:

Category of Shareholder	As on 31 st March, 2016			As on 31 st March, 2015		
	No. of Share holders	Total No. of Shares	%	No. of Share holders	Total No. of Shares	%
Promoter's Holding						
Indian Promoters	5	120637386	73.80	5	120637386	73.80
Total Promoter's Holding (A)	5	120637386	73.80	5	120637386	73.80
Public Shareholding						
Institutional Investors						
Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil
Financial Institutions/Banks	4	379635	0.23	2	4750	0.00
Foreign Institutional Investors	2	847083	1.52	4	1872083	1.15
Foreign Companies	Nil	Nil	Nil	Nil	Nil	Nil
Non – Institutional Investors						
Bodies Corporate	196	3311341	2.03	246	5841562	3.57
Individuals	17243	36107228	22.09	16465	33387475	20.43
Others						
Non Resident Indians	172	882148	0.54	157	836458	0.51
Overseas Corporate Bodies	Nil	Nil	Nil	Nil	Nil	Nil
Trusts	1	50000	0.03	1	50000	0.03
Clearing Members	79	1250414	0.76	74	835021	0.51
Total Public Shareholding (B)	17697	42827349	26.20	16949	42827349	26.20
Shares held by Custodian against Depository Receipts (C)	Nil	Nil	Nil	Nil	Nil	Nil
TOTAL (A+B+C)	17702	163464735	100.00	16954	163464735	100.00

Graph representing the Shareholding Pattern as on 31st March 2016:

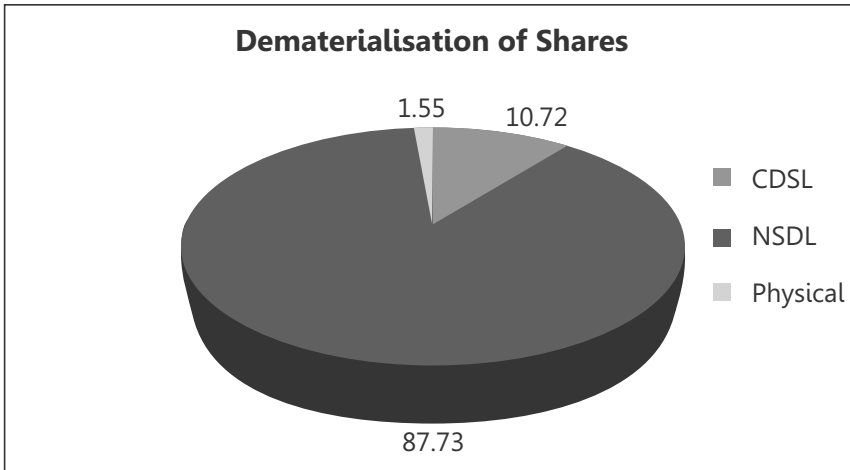


o) Dematerialization of shares and liquidity

Shares held in Physical and Dematerialised form as on 31st March, 2016

The shares of the company are compulsorily traded in DEMAT form in the Stock Exchanges where they are listed. The shares are available for dematerialization on both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

16,34,64,735 Equity Shares representing 98.45% of the Company's total equity share capital were held in dematerialized form of which 87.73% was held in National Securities Depository Limited (NSDL) and 10.72% was held in Central Depository Services (India) Limited (CDSL) and physical shares consists of 1.55% as on 31st March, 2016.



p) Address for investor correspondence

M/s. Aarthi Consultants Private Limited

1-2-285, Domalguda, Hyderabad - 500 029
Ph: 040 2763 8111; 040 2763 4445 Fax: 040 2763 2184
Website: www.aarthiconsultants.com
Email: info@arthiconsultants.com

M/s. Country Club Hospitality & Holidays Limited

'AmruthaCastle', 5-9-16, Saifabad, Opp: Secretariat, Hyderabad - 500 063.Telangana
Email: inv.grievance@countryclubmail.com
Phone : + 91 40 6684 8888 Fax : + 91 40 6636 0609
Website : www.countryclubindia.net

DISCLOSURES:

- a) During the year under review, the Company had not entered into any material transaction with any of its related parties which may have potential conflict with the interest of the company at large.
- b) During last three years no penalties, strictures imposed on the Company by the Stock Exchange (s) or the Board or any statutory authority on any matter related to capital markets.
- c) The Board of Directors of the Company had adopted the Whistle Blower Policy. Employees can report the Management concerned unethical behavior, act suspected fraud or violation of the Company's Code of Conduct policy. None of the personnel has been denied access to the audit Committee.

THE DISCLOSURES OF THE COMPLIANCE WITH MANDATORY REQUIREMENTS AND COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 ARE AS FOLLOWS:

Regulation	Particulars of Regulation	Compliance Status (Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination & Remuneration Committee	Yes
20	Stakeholder Relationship Committee	Yes
21	Risk Management Committee	Not Applicable
22	Vigil Mechanism	Yes
23	Related Party Transaction	Yes
24	Corporate Governance Requirements with respect to subsidiary of listed entity.	Yes
25	Obligation with respect to independent Directors.	Yes
26	Obligations with respect to Directors and senior management.	Yes
27	Other Corporate Governance Requirements	Yes
46(2) (b) to (i)	Website	Yes

- d) The policy on related party transactions can be accessed on the Company website at www.countryclubindia.net
- e) The Company is not carrying on any commodity business and has also not undertaken any hedging activities, hence the same are not applicable to the Company.

**For and on behalf of the Board
For Country Club Hospitality & Holidays Limited**

Place: Hyderabad
Date: 13th August, 2016

Y. Varun Reddy
Vice Chairman, JMD & COO
DIN: 01905757

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO
DIN: 00815456

Declaration regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

I, Y. Rajeev Reddy, Chairman & Managing Director of M/s. Country Club Hospitality & Holidays Limited hereby declare that all the Board Members and Senior managerial Personnel have affirmed for the year ended 31st March, 2016 Compliance with the Code of Conduct of the Company laid down for them.

Place: Hyderabad
Date: 13th August, 2016

Y. Rajeev Reddy
Chairman & Managing Director

Certificate by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

We, Y. Siddharth Reddy, Vice-Chairman, Joint Managing Director and CEO and K. Phaneendra Rao, Chief Financial Officer of M/s. Country Club Hospitality & Holidays Limited certify:

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2016 and to the best of our knowledge and belief;
 - These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - These statements present a true and fair view of the Company's affair and are in compliance with the existing accounting standards, applicable laws and regulations.
2. That there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violation of the Company's code of conduct;
3. That we accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which we are aware and the steps that we have taken or purpose to take and rectify the identified deficiencies; and
4. That we have informed the Auditors and the Audit Committee of:
 - a) Significant changes in the internal control during the year;
 - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) There are no instances of significant fraud of which we have become aware.

Place: Hyderabad
Date: 13th August, 2016

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

K. Phaneendra Rao
Chief Financial Officer

Compliance Certificate on Corporate Governance Annexure - I

To

The Members,

Country Club Hospitality & Holidays Limited

Hyderabad

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of Corporate Governance of M/s Country Club Hospitality & Holidays Limited ("the Company") for the year ended 31st March, 2016 as stipulated in Regulation 27 of the SEBI Listing Regulations of the said Company with the Stock Exchanges.

The compliance of the conditions of the Corporate Governance is the responsibility of the management. Our examination, conducted in the manner described in the guidance note on "Certification of Corporate Governance" issued by the Institute of Chartered Accountants of India was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us and on the basis of our examination described above, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P. Murali & Co
Chartered Accountants
(Registration No. 007257S)

P. Murali Mohana Rao
Partner
(Membership No. 023412)

Place: Hyderabad
Date: 13th August, 2016

Independent Auditor's Report On Consolidated Financial Statements

To the Members

Country Club Hospitality & Holidays Limited

Report on the consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Country Club Hospitality & Holidays Limited ("the Holding Company"), and its subsidiaries, its jointly controlled entities and associated companies; together referred to as "the Group" comprising the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements).

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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 Companies (Accounts) Rules, 2014. The Board of Directors of the Company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the rules made there under including the accounting standards and matters which are required to be included in audit report.

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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements:

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated 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 consolidated state of the Company, as at 31st March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books;
 - c) the Consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of our audit of the aforesaid consolidated financial statements;
 - d) in our opinion, the aforesaid consolidated financial statements comply with the applicable 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 of the Holding Company as on March 31, 2016, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary/joint venture companies incorporated in India, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
 - g) With respect to 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 consolidated financial statement has disclosed the pending litigations which could have impact on its financial position.
 - ii. The Holding company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company and the subsidiary companies incorporated in India.

Other Matter

We did not audit the financial statements and financial information of two Subsidiary Companies namely Country Club Babylon Resorts Pvt. Ltd., Srilanka and Country Vacations International Ltd. Dubai, which are included in the consolidated financials, and whose financial statements reflect total assets Rs. 8,024,210,118/- as at 31st March, 2016 and total revenue of Rs. 2,296,568,169/- for the year ended 31st March 2016. The above two subsidiary companies financial statements and other financial information are unaudited and have been furnished to us by the management and our opinion on these consolidated financial results and the year to date results is based solely on such unaudited financial statements and other financial information.

for **P. Murali & Co.,**
Chartered Accountants
FRN: 007257S

P. Murali Mohana Rao
Partner
Membership Number: 023412

Place : Hyderabad
Date : 30-05-2016

Annexure A to the Independent Auditor's Report

Report on the Internal Financial Controls under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')

In conjunction with our Audit of the consolidated financial statements of the company as of and for the year ended 31st March 2016, we have audited the internal financial controls over financial reporting of Country Club Hospitality & Holidays Limited ('the Holding company') and its subsidiary companies which are incorporated in India, as of the date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary/joint venture companies, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our Audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standards on Auditing deed to be prescribed under section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and the company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be deducted. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, The Holding Company and its subsidiary/ joint venture companies, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute Of Chartered Accountants of India.

For **P. Murali & Co.**,
Chartered Accountants
FRN: 007257S

P. Murali Mohana Rao
Partner
Membership Number: 023412

Place : Hyderabad
Date : 30-05-2016

CONSOLIDATED
Financial Section

Consolidated Balance Sheet As At 31-03-2016

Amount in ₹

Particulars	Note Nos.	As at 31-03-2016	As at 31-03-2015
I EQUITY AND LIABILITIES			
1. Shareholders Funds			
(a) Share Capital	1	326,929,470	326,929,470
(b) Reserves & Surplus	2	9,927,224,638	9,847,649,941
2. Non-Current Liabilities			
(a) Long-Term Borrowings	3	3,624,951,131	4,014,396,714
(b) Deferred Tax Liabilities (Net)	4	711,921,937	610,248,679
(c) Deferred Income - Advance towards Members Facilities		50,482,128	65,937,771
(d) Other Long Term Liabilities	5	15,219,758	17,369,758
(e) Long Term Provisions	6	22,611,389	20,697,981
3. Current Liabilities			
(a) Trade Payables	7	204,188,066	208,225,058
(b) Other Current Liabilities	8	1,194,572,636	838,781,537
(c) Short-Term Provisions	9	489,994,389	491,387,624
TOTAL		16,568,095,542	16,441,624,533
II ASSETS			
1. Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		13,279,364,250	11,761,177,396
(ii) Intangible Assets		820,508,351	839,027,354
(iii) Capital Work in progress		128,504,637	1,050,789,811
(iv) Work in progress		41,216,521	22,936,931
(b) Long-Term Loans and Advances	11	741,333,321	760,709,505
(c) Other Non Current Assets	12	37,399	216,215
2. Current Assets			
(a) Current Investments	13	1,273,000	1,323,000
(b) Inventories	14	33,233,274	30,096,979
(c) Trade Receivables	15	218,616,944	386,138,175
(d) Cash and Cash Equivalents	16	193,154,925	457,405,507
(e) Short-Term Loans and Advances	17	864,360,271	775,612,538
(f) Other Current Assets	18	246,492,649	356,191,122
TOTAL		16,568,095,542	16,441,624,533

Significant Accounting Policies & Notes to Financial Statements

1 to 40

As per our report of even date
For P. Murali & Co.,
 Chartered Accountants
 FRN: 0072575

For and on behalf of the Board of Directors
For Country Club Hospitality & Holidays Limited

P. Murali Mohana Rao
 Partner
 Membership Number: 023412

Y. Rajeev Reddy
 Chairman & Managing Director

Y. Siddharth Reddy
 Vice-Chairman, JMD & CEO

Place : Hyderabad
 Date : 30-05-2016

K. Phaneendra Rao
 Chief Financial Officer

V. Sreelatha
 Company Secretary

Consolidated Profit & Loss Account for the year ended 31-03-2016

Amount in ₹

Particulars	Note Nos.	Ended 31-03-2016	Ended 31-03-2015
1. INCOME			
Revenue From Operations	19	5,206,348,762	4,972,365,970
Other Income	20	124,462,468	32,317,126
TOTAL REVENUE		5,330,811,230	5,004,683,096
2. EXPENDITURE			
Cost of Material Consumed	21	2 13,675,923	1 89,247,846
Employee Benefit Expenses	22	1,770,816,268	1,688,571,325
Finance Cost	23	4 81,439,155	4 91,105,641
Depreciation and Amortisation Expenses	10	4 32,891,823	4 00,034,697
Other Expenses	24	2,052,312,948	1,915,693,101
TOTAL EXPENDITURE		4,951,136,117	4,684,652,610
3. PROFIT			
Profit Before Exceptional and Tax (1 - 2)		3 79,675,113	3 20,030,486
Profit Before Tax		3 79,675,113	3 20,030,486
Tax Expense:			
- Current Tax		-	-
- Deferred Tax		1 01,673,258	5 2,309,862
Profit for the Year		2 78,001,855	2 67,720,624
Earning Per Share			
- Basic		1.70	1.64
- Diluted		1.70	1.64

Significant Accounting Policies & Notes to Financial Statements

1 to 40

As per our report of even date

For P. Murali & Co.,
Chartered Accountants
FRN: 007257S

For and on behalf of the Board of Directors
For Country Club Hospitality & Holidays Limited

P. Murali Mohana Rao
Partner
Membership Number: 023412

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

Place : Hyderabad
Date : 30-05-2016

K. Phaneendra Rao
Chief Financial Officer

V. Sreelatha
Company Secretary

Notes to the Consolidated Financial Statements for the year ended 31st March 2016

NOTE NO. 1 : SHARE CAPITAL

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Authorised Capital	440,000,000	440,000,000
220000000 Equity Shares (Previous Year 220000000 Equity Shares)		
Issued, Subscribed & Fully Paid up:	326,929,470	326,929,470
163464735 Equity Shares (Previous Year 163464735 Equity Shares)		
	326,929,470	326,929,470
Par Value per Share	2	2

Notes:

- 3 a. Terms /rights attached to equity shares
 The Company has only one class of shares referred to as equity shares having a par value of Rs.2/-.
 Each Equity shareholder is entitled to one vote per share

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Total No of shares at opening accounting period	163,464,735	163,464,735
Add: No of shares issued during the year - Amalgamation	-	-
Add: No of shares issued during the year - Bonus Issue	-	-
Add: No of shares issued during the year - Cash Issue	-	-
Less : No of shares Forfeited/Bought Back during the year	-	-
Total No of shares at end of accounting period	163,464,735	163,464,735

Shares in the Company held by each shareholder holding more than 5% shares of the Company

Name of the Shareholder	As at 31-03-2016	As at 31-03-2015
Y.Rajeev Reddy		
- No of Shares	106,337,986	106,337,986
- % held in the Company	65.05	65.05

NOTE NO. 2 : RESERVES AND SURPLUS

Particulars	As at 31-03-2016	As at 31-03-2015
Capital Reserve		
As per last year Balance Sheet	308,740,299	308,740,299
Add: Current Year Transfer		
	308,740,299	308,740,299
Securities Premium Account	4,966,551,969	4,966,551,969
Foreign Currency Translation Reserve	699,682,689	855,629,334
Revaluation Reserve	43,655,099	43,655,099
General Reserve		
As per last year Balance Sheet	83,300,000	83,300,000
Add: Transfer from statement of Profit and Loss account	-	-
	83,300,000	83,300,000

Notes to the Consolidated Financial Statements for the year ended 31st March 2016

Surplus:		
Surplus in Statement of Profit and Loss		
As per last year Balance Sheet	3,589,773,239	3,516,029,499
Add : Subsequent period to Amalgamation		
Less : Amount transfer to Retained Earning in pursuant of schedule II to the Companies Act. 2013	(28,803,316)	(193,976,884)
Less : Amount pertaining to re-organisation of subsidiary	(13,677,196)	-
Add : Current Year profit	278,001,855	267,720,624
Surplus in Profit and Loss Account	3,825,294,582	3,589,773,239
Total Reserves and Surplus	9,927,224,638	9,847,649,941

NOTE NO. 3 : LONG-TERM BORROWINGS

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Secured		
Term loans From Banks		
- Oriental Bank of Commerce Loan - I	76,806,906	81,663,457
- Oriental Bank of Commerce Loan - II (Secured by way of Hypothecation of Land & Buildings)	36,398,870	40,460,496
- UBI Loan (Secured by way of Hypothecation of Land & Buildings)	388,168,828	449,601,117
- Vijaya Bank Loan (Secured by way of Hypothecation of Land & Buildings)	284,792,637	325,636,713
- Bank of India Loan (Secured by way of Hypothecation of Land & Buildings)	171,758,145	197,193,550
- Central Bank of India (Secured by way of Hypothecation of Land & Buildings)	347,266,886	440,281,665
- Canara Bank (Secured by way of Hypothecation of Land & Buildings)	401,992,630	471,650,243
- Saraswat Co-op Bank Loan I	81,960,513	88,526,808
- Saraswat Co-op Bank Loan II (Secured by way of Hypothecation of Land & Buildings)	404,859,869	430,260,726
- Cosmos Bank Loan I	53,513,661	63,841,646
- Cosmos Bank Loan II	71,822,077	85,738,394
- Cosmos Bank Loan III (Secured by way of Hypothecation of Land & Buildings)	207,102,316	231,183,610
- National Bank of Fujjarah - NBF (Secured by way of Hypothecation of Land & Buildings)	949,885,667	961,741,913
Equipment Finance & Other Loans (Loan from HDFC Bank Ltd., Saraswath Co-Op Bank Ltd, Ratnakar Bank Ltd. and Religare Finvest. Ltd. and the same were secured by way of hypothecation of the Vehicles)	6,624,854	3,606,111
	3,482,953,859	3,871,386,449
Unsecured		
Loans and Advances From Related Parties		
- Loan from Promoters	134,522,159	134,522,159
- Zen Garden Hotel Pvt. Ltd.	3,511,208	3,412,212
- Other Loans and Advances	3,963,905	5,075,894
	141,997,272	143,010,265
Total	3,62,49,51,131	4,01,43,96,714

Notes to the Consolidated Financial Statements for the year ended 31st March 2016

NOTE NO. 4 : DEFERRED TAX LIABILITIES (NET)

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Opening Deferred tax Liability	610,248,679	557,938,817
Add: Deferred Tax Liability from Amalgamation	-	-
Add: Deferred Tax Liability for the year (Due to SLM and WDV Difference)	101,673,258	52,309,862
	711,921,937	610,248,679

NOTE NO. 5 : OTHER LONG-TERM LIABILITIES

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Unsecured		
Deposits	15,219,758	17,369,758
	15,219,758	17,369,758

NOTE NO. 6 : LONG-TERM PROVISIONS

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Employee's end of service benefits	22,611,389	20,697,981
	22,611,389	20,697,981

NOTE NO. 7 : TRADE PAYABLES

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Total Outstanding Dues to Micro and Small Enterprises		
Others	204,188,066	208,225,058
	204,188,066	208,225,058

NOTE NO. 8 : OTHER CURRENT LIABILITIES

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Current Maturities of Long-Term Debt	808,595,760	515,067,064
Advance Received from Customers	3,381,125	2,919,393
Unpaid Dividends	2,028,339	2,573,128
Dues to Statutory Authorities	194,023,831	116,444,653
Other Liabilities	153,364,449	167,772,083
Creditors for Capital Goods	33,179,132	34,005,216
	1,194,572,636	838,781,537

NOTE NO. 9 : SHORT-TERM PROVISIONS

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Provision for Employee Benefits		
- Salaries Payable (Includes Incentives)	298,612,417	341,872,892
- PF Payable	18,280,734	17,840,715
- ESIC Payable	12,046,737	6,218,247
- PT Payable	5,062,051	4,171,585
Others		
- TDS Payable	91,606	91,606
- Consultancy & Professional Charges Payable	2,812,555	4,155,260
- Provision for Expenses	153,088,289	117,037,319
	489,994,389	491,387,624

Notes to the Consolidated Financial Statements for the year ended 31st March 2016

NOTE NO. 11 : LONG - TERM LOANS AND ADVANCES

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Unsecured Considered Good		
Capital advance	122,421,711	217,957,085
Security Deposit	211,277,236	218,313,122
Others	-	8,082,751
Zen Garden Hotel Private Limited	2,500	-
Other loans And advances	407,631,874	316,356,547
	741,333,321	760,709,505

NOTE NO. 12 : OTHER NON CURRENT ASSETS

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Unamortised Selling and Preliminary Expenses		
Selling Deferred Expenses	-	178,162
Preliminary Expenses Not Written off	37,399	38,053
	37,399	216,215

NOTE NO. 13 : CURRENT INVESTMENTS

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Investment-The Saraswat Coop Bank	25,000	25,000
Investment-CANARA ROBECO Mutual Fund	1,000,000	1,000,000
Cosmos Co-op Bank	100,000	100,000
Investment - KCCB Bank Shares	-	50,000
The Urban Co-Operative Bank	48,000	48,000
Bharat Co-op.Bank Ltd.	100,000	100,000
	1,273,000	1,323,000

NOTE NO. 14 : INVENTORIES

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Inventories (at lower of cost & net realisable value)		
Stores		
Food, Beverages, Smokes & Operating Supplies	17,892,684	14,323,655
Gifts	15,340,590	15,773,324
	33,233,274	30,096,979

NOTE NO. 15 : TRADE RECEIVABLES

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Receivables outstanding for more than six months from the date they are due for payment	68,69,292	6,023,220
Unsecured & Considered Good		
Receivables outstanding for less than six months from the date they are due for payment	211,747,652	380,114,955
Unsecured & Considered Good		
	218,616,944	386,138,175

Notes to the Consolidated Financial Statements for the year ended 31st March 2016

NOTE NO. 16 : CASH AND CASH EQUIVALENTS

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Cash on hand	9,627,177	20,671,322
Balances with banks :		
- Current Accounts	150,395,521	402,131,684
- Fixed Deposits - with maturity of less/more than Earmarked Accounts	31,859,723	31,251,114
- Unpaid Dividend Accounts	1,272,504	3,351,387
	193,154,925	457,405,507

NOTE NO. 17: SHORT TERM LOANS AND ADVANCES

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Advance to Suppliers	2,283,079	4,908,535
Loans and Advances to Employees	14,410,713	15,622,395
Advances Recoverable in Cash or Kind - (Unsecured, Considered Good)	792,280,442	719,098,628
Advances with Statutory Authorities	55,386,037	35,982,980
	864,360,271	775,612,538

NOTE NO. 18 : OTHER CURRENT ASSETS

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
VAT Receivables	7,663,789	6,583,463
TDS/TCS Receivables	9,347,483	8,471,030
Prepaid Expenses	217,165,510	327,470,153
Interest Accrued on Deposits	-	60,075
Service Tax Credit Receivables	12,315,867	13,606,401
	246,492,649	356,191,122

NOTES TO STATEMENT OF PROFIT & LOSS

NOTE NO. 19 : REVENUE FROM OPERATIONS

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Sales of Services		
Income from Sale of Membership, Vacation Ownership & Guest Accommodation & Training/Coaching in recreational activities relating to Art, Culture & Sports, Fitness	4,488,579,795	4,206,607,215
Income from Hotel, Clubs & Resorts - Food & Beverages from Restaurant & Banquets	254,186,984	394,893,633
Annual Subscription Fee	463,581,983	370,865,122
	5,206,348,762	4,972,365,970

NOTE NO. 20 : OTHER INCOME

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Interest Income		
- On Deposits with Bank	1,204,434	1,298,072
- Miscellaneous Income/Lease Rent	123,258,034	31,019,054
	124,462,468	32,317,126

Notes to the Consolidated Financial Statements for the year ended 31st March 2016

NOTE NO. 21 : COST OF MATERIAL CONSUMED

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Opening Stock of Food & Beverages, Stores and Operating Supplies	13,818,860	17,162,429
Add: Purchases	217,749,747	185,904,277
Less: Closing Stock of Food & Beverages, Stores and Operating Supplies	17,892,684	13,818,860
	213,675,923	189,247,846

NOTE NO. 22 : EMPLOYEE BENEFIT EXPENSES

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Salaries & Other Benefits	1,700,859,113	1,607,628,349
Contribution to Provident & Other Funds	41,352,808	45,348,637
Staff Welfare Expenses	28,604,347	35,594,339
	1,770,816,268	1,688,571,325

NOTE NO. 23 : FINANCE COST

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Interest on Term Loans	481,439,155	491,105,641
	481,439,155	491,105,641

NOTE NO. 24 : OTHER EXPENSES

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Upkeep & Service Cost		
- Building Maintenance	4,011,987	6,295,509
- Repairs, Maintenance to other assets	43,140,341	38,191,877
- Vehicle Maintenance & Running Exp.	3,481,445	4,366,100
- Other Maintenance	78,899,252	93,295,669
Power & Fuel	146,788,155	152,606,103
Rent including Lease Rent	415,077,777	390,049,563
Rates & Taxes	52,921,037	54,283,462
Insurance	7,748,779	11,237,608
Finance Charges	165,116,813	163,392,993
Travelling & Conveyance	101,311,728	106,984,254
Printing & Stationery	28,744,865	36,005,515
Postage, Telegram & Telephones	116,572,681	111,424,228
Advertisement & Other Marketing Expenses	540,608,901	470,860,191
Other Administrative Expenses	252,793,104	178,426,637
Miscellaneous Expenses Written Off	178,816	178,814
Legal & Professional Charges.	93,711,389	96,880,047
Auditor's Remuneration Includes		
- Audit Fee	705,878	714,531
- For Taxation Matters	200,000	200,000
- For Other Charges	300,000	300,000
	2,052,312,948	1,915,693,101

Notes to the Consolidated Financial Statements for the year ended 31st March 2016

SCHEDULE 10

CONSOLIDATED FIXED ASSETS SCHEDULES

{SLM METHOD}

PARTICULARS	GROSS BLOCK AS ON 1-4-2015	ADDITIONS DURING THE YEAR	DELETIONS/ADJUSTMENTS DURING THE YEAR	GROSS BLOCK AS ON 31-03-2016	DEPRECIATION UP TO 1-4-2015	DEPRECIATION DURING THE YEAR	DELETION / ADJUSTMENTS DEP DURING THE YEAR	DEPRECIATION AS ON 31-03-2016	NET BLOCK AS ON 31-03-2016	NET BLOCK AS ON 31-03-2015
Tangible Assets										
Land & Site Development	1,156,558,596	1,427,286	445,856,328	712,129,554	-	-	-	712,129,554	712,129,554	1,156,558,596
Building	10,724,932,030	1,667,139,917	150,423,245	12,241,648,702	1,459,913,474	168,741,513	26,133,719	1,602,521,269	10,639,127,434	9,265,018,556
Furniture & Fixtures	1,087,756,970	170,121,420	44,525,049	1,213,353,341	401,005,249	157,767,992	20,696,782	538,076,459	675,276,882	686,751,721
Plant & Machinery	893,943,819	694,424,835	13,198,050	1,575,170,604	277,872,845	81,461,509	9,558,697	349,775,657	1,225,394,947	616,070,974
Computers	30,828,334	14,124,124	5,375,796	39,576,662	30,266,741	4,743,810	1,945,922	33,064,629	6,512,033	561,593
Vehicles	89,222,040	58,000	18,366,574	70,913,466	53,006,084	10,929,606	13,945,624	49,990,066	20,923,399	36,215,956
Total - A	13,983,241,788	2,547,295,582	677,745,042	15,852,792,329	2,222,064,393	423,644,430	72,280,744	2,573,428,079	13,279,364,250	11,761,177,396
Previous Year	12,851,975,077	1,610,926,759	479,660,047	13,983,241,788	2,110,781,542	394,478,389	283,195,539	2,222,064,392	11,761,177,396	10,741,193,535
Intangible Assets										
Goodwill	818,874,153	-	13,765,167	805,108,986	-	-	-	805,108,986	805,108,986	818,874,153
Brand Development	9,474,059	-	-	9,474,059	8,421,385	1,052,673	-	9,474,059	-	1,052,674
Software & Development	22,980,018	4,557,276	105,650	27,431,644	15,269,252	8,194,720	41,932	23,422,040	4,009,604	7,710,766
Intangible Assets	11,389,761	-	-	11,389,761	-	-	-	-	11,389,761	11,389,761
Total - B	862,717,991	4,557,276	13,870,817	853,404,450	23,690,637	9,247,393	41,932	32,896,099	820,508,351	839,027,354
Previous Year	861,783,569	934,422	-	862,717,991	18,134,329	5,556,308	-	23,690,637	839,027,354	843,649,240
Grand Total - A+B	14,845,959,779	2,551,852,858	691,615,859	16,706,196,779	2,245,755,031	432,891,823	72,322,675	2,606,324,177	14,099,872,602	12,600,204,750
Total Previous Year	13,713,758,646	1,611,861,181	479,660,047	14,845,959,779	2,128,915,870	400,034,697	283,195,539	2,245,755,031	12,600,204,750	11,584,842,775

Consolidated Cash Flow Statement for the year ended 31.03.2016

Amount in ₹

Particulars	Current Year Amount in Rs.	Previous Year Amount in Rs.
I. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax	379,675,113	320,030,486
Adjustments for :-		
Depreciation	432,891,823	400,034,697
Interest Paid	481,439,155	491,105,641
Foreign Currency Translation Reserve	(155,946,645)	360,838,678
Excess amount charged in Reserves and Surplus	(28,803,316)	(193,976,884)
Amount charged in Reserves and Surplus for Re-organisation of Subsidiary	(13,677,196)	-
Interest Income	(1,204,434)	(1,298,072)
Operating Cash Flow before Working Capital Changes	1,094,374,500	1,376,734,547
(Increase) / Decrease in Inventory	(3,136,295)	6,819,281
(Increase) / Decrease in Trade Receivables	167,521,231	(250,260,891)
(Increase) / Decrease in Short Term Loans & Advances	(88,747,733)	310,367,134
(Increase) / Decrease in Other Current Assets	109,698,473	(64,345,210)
(Increase) / Decrease in Current Investments	50,000	-
Increase / (Decrease) in Deferred Income(Current)	-	(33,418,222)
Increase / (Decrease) in Trade Payables	(4,036,992)	(35,073,747)
Increase / (Decrease) in Other Current Liabilities	355,791,099	(799,926,752)
Increase / (Decrease) in Short Term Provisions	(1,393,235)	(233,938,956)
CASH GENERATED FROM OPERATIONS	1,630,121,048	276,957,183
Add: Prior Period Expenses	-	-
Less: Income Tax Paid	-	-
CASH GENERATED FROM OPERATING ACTIVITIES	1,630,121,048	276,957,183
II. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase/Sale of fixed Assets	(1,932,559,674)	(1,415,396,672)
Capital Work in Progress, Pre-operative Expenses	904,005,583	724,187,637
Interest Income	1,204,434	1,298,072
Miscellaneous Expenses	178,816	178,814
(Increase) / Decrease in Long Term Loans & Advances	19,376,184	102,366,496
NET CASH AVAILABLE FROM INVESTING ACTIVITIES	(1,007,794,657)	(587,365,653)
III. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds/(Repayment) of Loan	(389,445,583)	1,012,660,647
Statutory Reserve	-	(2,439,765)
Interest Paid	(481,439,155)	(491,105,641)
Increase / (Decrease) in Other Long Term Liabilities	(236,592)	4,866,152
Proceeds/(Repayment) of Membership Fees	(15,455,643)	-
NET CASH USED IN FINANCING ACTIVITIES	(886,576,973)	(523,981,393)
NET INCREASE IN CASH AND CASH EQUIVALENTS(I+II+III)	(264,250,582)	213,572,923
Opening Balance of Cash & Cash Equivalents	457,405,507	243,832,584
Closing Balance of Cash & Cash Equivalents	193,154,925	457,405,507

As per our report of even date

For P. Murali & Co.,
Chartered Accountants
FRN: 007257S

For and on behalf of the Board of Directors
For Country Club Hospitality & Holidays Limited

P. Murali Mohana Rao
Partner
Membership Number: 023412

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

Place : Hyderabad
Date : 30-05-2016

K. Phaneendra Rao
Chief Financial Officer

V. Sreelatha
Company Secretary

Significant Accounting Policies

1. Basis of preparation of financial Statement:

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (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 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). 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.

Basis of Consolidation:

The Group financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the accounting standard on Consolidated Financial statements issued by the Institute of Chartered Accountants of India. Subsidiaries are those entities that are controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. Subsidiaries are consolidated from the date on which control is acquired by the Group and no longer consolidated from the date such control ceases. The financial statements of the parent company and subsidiary have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and any resulting unrealized gain/loss arising from intra group transactions. Unrealized losses resulting from intra group transactions are also eliminated unless cost cannot be recovered. Amounts reported in the financial statements of subsidiaries have been adjusted, where necessary, to ensure consistency with the accounting policies adopted by the Group.

The difference between cost of Investment in the subsidiaries over the Company's portion of equity of the subsidiary is recognized in the financial statements as Goodwill or Capital Reserve

The following subsidiaries are taken into account for the preparation of Consolidating Financial Statements

Sl.No	Relationship	Name of the Subsidiary
1	Subsidiaries of Country Club Hospitality & Holidays Limited	Aquarian Realtors Private Limited
2		Bright Resorts Private Limited
3		Bush Betta Holiday Ownership Wildlife Adventure Resort Pvt Ltd
4		Chanakyapuri Resorts Pvt Ltd
5		Country Club Babylon Resorts Pvt Ltd
6		Country Vacations International Ltd – Dubai
7		Country Vacations International Ltd – India
8		International Country Holidays Private Limited (formerly known as Aakruti Engineers Private Limited)
9		J.J. Arts & Entertainments Pvt Ltd
10		Maruti Waterpark & Entertainments Pvt Ltd
11		Swami Vivekanand Training & Education Centre Private Limited
12		Swimwel Investment & Trading Private Limited
13		Club Arzee Limited

Sl.No	Relationship	Name of the Subsidiary
1	Step-Down Subsidiaries of Country Vacations International Ltd – Dubai	Country Club & Vacations W.L.L – Qatar
2		Country Vacations International Limited – London
3		Country Vacations International LLC – Dubai
4		Country Vacations International LLC – Oman
5		Country Vacations International LLC–Abu Dhabi
6		Country Vacations International SDN BHD, Malaysia
7		Country Vacations International W.L.L – Bahrain
8		Kolet Resort Club Pvt Ltd
9	Step-Down Subsidiary of Aquarian Realtors Pvt Ltd	Jade Resorts Pvt Ltd

2. Revenue Recognition:

- (a) The Company's business is to sell Vacation ownership, provide holiday facilities, guest accommodation, Training/Coaching in recreational activities relating to art, culture & sports, fitness training and clubbing to its members for a specified period, for which membership fee is collected either in full up front, or on installment basis. Membership fees, which is non-refundable, is recognized as income on admission of a member. Requests for cancellation of membership are accounted for when it is accepted by the Company. In respect of installments considered doubtful of recovery by the management, the same is treated as a cancellation and accounted for accordingly.
- (b) Annual subscription fee dues from members are recognized as income on receipt basis.
- (c) Income from resorts includes income from room rentals, food and beverages etc. and is recognized when services are rendered.

3. Use of Estimates:

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

4. Investments:

Long-term investments are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment. The reduction in the carrying amount is reversed when there is a rise in the value of the investment or if the reasons for the reduction no longer exist.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment.

5. Fixed Assets:

Fixed assets are carried at the cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed under capital work-in-progress.

6. Depreciation:

Depreciation on fixed assets is provided using the straight-line method over the useful life of the assets specified in Schedule II to the Companies Act, 2013. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed. Assets acquired on finance leases are depreciated over the period of the lease agreement or the useful life whichever is shorter.

With effect to the changes in the useful life of the assets as per schedule II to the Companies Act 2013, the carrying amount of the assets as on date is depreciated over its remaining useful life and the carrying amount of the assets whose remaining useful is nil is adjusted against the general reserves of the company.

As per schedule II to the Companies Act 2013 estimates the useful lives for the fixed assets as follows:

Buildings	60 years	Computers	3 years
Furniture & fixtures	8 years	Vehicles	8 years
Plant & Machinery	15 years	Software & Development	3 years

7. Capital Work-in-Progress:

The Capital Work-in-Progress includes cost of Fixed Assets under installation, advances for Project cost and unallocated expenditure.

8. Inventories:

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

9. Taxation:

Income tax expense comprises current tax and deferred tax charge or credit.

Current tax: The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax: Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each

Balance Sheet date and is written-down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized. The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company has a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

10. Earnings per Share:

The basic earnings per share ("EPS") is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares) as per Accounting Standard – 20.

11. Investments

Trade investments are the investments made to enhance the group's business interest. Investments are classified either as current or long term investments based on the management's intention at the time of purchase. Current investments are carried at the lower of cost and fair value of each investment individually. Cost for overseas investments comprises the Indian rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment. Long term investments are carried at cost less provision recorded to recognize any decline, other than temporary, in the carrying value of each investment.

12. Cash and Cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

13. Cash Flow Statement

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of non cash nature, any deferrals, accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing or financing activities of the group are segregated.

14. Provisions and contingent liabilities:

A provision is recognised when the Company has a present obligation as result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimate can be made. Contingent liabilities are disclosed in the notes.

15. Retirement benefits to employees:

Provident fund

Contributions to defined Schemes such as Provident Fund are charged as incurred on accrual basis. Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions to the government administered authority

16. Leases:

Assets taken on lease where the company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The amount recorded is the lesser of the present value of minimum lease rental and other incidental expenses during the lease term or the fair value of the assets taken on lease.

The rental obligations, net of interest charges, are reflected as secured loans. Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases and recorded as expense as and when the payments are made over the lease term.

17. Borrowing Cost:

Borrowing cost that are attributable to the acquisition, construction or production of qualifying asset are capitalized as part of cost of such asset till such time as the asset is ready for its intended to use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as expenses in the period in which they are incurred.

18. Impairment of assets:

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

NOTES TO THE FINANCIAL STATEMENTS

25. Particulars of Key Managerial Personnel and remuneration paid to them

Amount in ₹

S.No	Name of the Directors	Designation	Remuneration
1	Mr. Y. Rajeev Reddy	Chairman & Managing Director	36,00,000
2	Mr. Y. Siddharth Reddy	Vice-Chairman, JMD & CEO	30,00,000
3	Mr. Y. Varun Reddy	Vice-Chairman, JMD & COO	30,00,000

26. Particulars relating to managing director

Amount in ₹

Particulars	Current Year	Previous Year
Directors' Remuneration	96,00,000	1,11,00,000
Brand Ambassador Fee	48,00,000	48,00,000

27. Detailed information regarding quantitative particulars under part II of Schedule III to the Companies Act, 2013.

- As the turnover of the Company is in respect of supply of food and beverages, it is not possible to give quantity-wise details of turnover.

28. Earnings and Expenditure in Foreign Currency

a. Foreign Currency expenditure/inflow as follows

Amount in ₹

Particulars	Current Year	Previous Year
Travelling expenses	-	(12,626)
Subsidiary Company	(236,302,761)	28,21,01,336
Total Netflow	(236,302,761)	28,20,88,710

29. The company has not made any provision for Leave Encashment and Gratuity to its employees. Leave Encashment and Gratuity are accounted as and when payments are made and as such the Liability has not been ascertained.

30. There are no dues to SSI Units outstanding for more than 30 days.

31. In accordance with Accounting Standard 22 (AS - 22) issued by the ICAI, the Company has accounted for deferred tax and income tax as given below:

Amount in ₹

Particulars	Current Year	Previous Year
Income Tax	-	-
Deferred Tax	10,16,73,258	5,23,09,862

32. As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties.

A.

Relationship	Name of the Related Party
Subsidiary Companies	a) Aquarian Realtors Pvt Ltd b) Bright Resorts Pvt Ltd c) Bush Betta Holiday Ownership Wildlife Adventure Resort Pvt Ltd d) Chanakyapuri Resorts Pvt Ltd e) Country Club Babylon Resorts Pvt Ltd f) Country Vacations International Ltd – Dubai g) Country Vacations International Ltd – India h) International Country Holidays Private Limited (formerly known as Aakruti Engineers Private Limited) i) J.J. Arts & Entertainments Pvt Ltd j) Maruti Waterpark & Entertainments Pvt Ltd k) Swami Vivekanand Training & Education Centre Pvt Ltd l) Swimwel Investment & Trading Pvt Ltd m) Club Arzee Ltd
Step-Down Subsidiaries	a) Country Club & Vacations W.L.L – Qatar b) Country Vacations International Limited – London c) Country Vacations International LLC – Dubai d) Country Vacations International LLC – Oman e) Country Vacations International LLC–Abu Dhabi f) Country Vacations International SDN BHD, Malaysia g) Country Vacations International W.L.L – Bahrain h) Jade Resorts Pvt Ltd i) Kolet Resort Club Pvt Ltd
Other Companies	a) Amrutha Estates Pvt Ltd b) Country Condos' Limited c) Country Vacations International – Dubai d) Zen Garden Hotel Private Limited
Vice-Chairman, JMD&COO CMD Director	Y. Varun Reddy Y. Rajeev Reddy Y. Manjula Reddy

B. Transactions during the year with Related Parties.

Amount in ₹

Nature of Transaction	Subsidiary Companies including Step-Down Subsidiaries	Other Companies	Other Related Parties
Lease Rentals payable	21,00,000	7,20,000	57,29,030
Directors Remuneration	-	-	96,00,000
Brand Ambassador fee	-	-	48,00,000

33. The Basic and Diluted EPS is Calculated as under

Particulars	31st March,2016	31st March,2015
a) Profit after Tax (₹)	27,80,01,855	26,77,20,625
b) Earnings available to Equity Shareholders for Basic & Diluted EPS (₹)	27,80,01,855	26,77,20,625
c) Weighted average Number of Shares taken for computation of EPS		
- Basic	16,34,64,735	16,34,64,735
- Diluted		
d) Earning per Share		
- Basic	1.70	1.64
- Diluted	1.70	1.64
e) Nominal Value per Share (₹)	2	2

34. Contingent Liabilities:

The Company jointly with Mr.Y.Rajeev Reddy (Managing Director) and Country Vacations International LLC, Dubai has provided corporate guarantee of AED 90,000,000/- to National Bank of Fujairah, Dubai in respect of the facilities granted to M/s. Country Vacations International Ltd- Dubai.

According to the information and explanations given to us and based on the records of the company examined by us, the Company has disputed Income Tax dues amounting to ₹11,34,56,266 which belongs to various Assessment Years which has not been deposited on account of disputes:

35. Secured Loans:**From Banks**

- Term Loans from Oriental Bank of Commerce, Loans I & II of ₹ 25 crores for expansion of existing Clubs and secured by The Country Club (EROS Regency) situated at land Bearing killa no. 2,9,10/1,10/2 & 11/4 at village lakarpur, EROS Regency Township, Surajkund, Faridabad, Harayana. The Outstanding Balance for the Current year is ₹ 12,10,60,776/- (Previous Year ₹12,21,23,953/-)
- Term Loans from Union Bank of India, Vijaya Bank and Bank of India of ₹ 115 crores has been taken for repayment of FCCB's and secured by way of properties located in Hyderabad, Banglore, Chennai and Kodaikanal. Further, the charge has been created on Delhi & Karnataka cash flows for servicing of the above loan. Additionally, the personal guarantees has also been given by three Directors (i.e. Mr. Y.Rajeev Reddy, Y. Siddharth Reddy & Y. Varun Reddy). The Outstanding Balance for the Current year is ₹84,47,19,610/- (Previous Year ₹ 97,24,31,380/-).
- Term Loan from Central Bank of India of ₹50 Crores to carry out interior, Gym/Fitness Centres and Civil works of the Company's property at multiple locations. Further charge has been created on Company's properties (movable/immovable) at Bangalore, Trivandrum and Bandipur. Additionally, the personal guarantees are also given by three Directors (i.e. Mr Y. Rajeev Reddy, Y. Siddharth Reddy & Y. Varun Reddy). The Outstanding (Including Interest) Balance for the Current year is ₹ 46,95,66,886/- (Previous Year ₹50,14,81,665/-).

- d) Term Loan from Canara Bank of ₹50 Crores for the Company's expansion plan at Kolkatta, Cochin and Andheri, Mumbai and normal ongoing capex at various locations. Further charge has been created on Company's properties (movable/immovable) at Kolkatta, Cochin and Andheri, Mumbai. Additionally, the personal guarantees are also given by three Directors (i.e. Mr. Y. Rajeev Reddy, Y. Siddharth Reddy & Y. Varun Reddy). The Outstanding (Including Interest) Balance for the Current year is ₹47,09,92,630/- (Previous Year ₹ 50,32,50,243/-).
- e) Term Loans from Saraswat Co Op Bank, Loan of ₹25 crores for expansion of existing Clubs and secured by way of mortgage by deposit of title deed immovable property being land and building known as Hotel Amrutha Castle Constructed on plot of land bearing municipal nos. 5-9-16, 5-9-17, snf 6-9-18 and adjoining plot and land bearing municipal nos. 5-9-19, and 5-9-18/3 situated at Saifabad, Secretarial Road Hyderabad solely belonging to the company. The Outstanding Balance for the Current year is ₹ 8,85,22,513/- (Previous Year ₹ 8,85,26,808/-)
- f) Term Loan from Saraswat Co Op Bank of ₹50 Crores secured by way of mortgage, by deposit of title deed of immovable property located at Country club Golden Star # 623,624 Next to Pramukh Swami Hospital Adajan, Surat - 395 009 owned by Club Arzee Ltd. .immovable property at Country Club Resort, Plot No. 496, Bhuvan Village, Kolad, Dist. Raigad. owned by Amruta Estates Pvt. Ltd., immovable property, Hotel Amruta Castle, opp Secretariate, Saifabad, Hyderabad and additional charge on immovable property at The Country Club, Balamatta Road, Mangalore 575 001. belonging to the Company. The Outstanding Balance for the Current Year is ₹43,67,34,869/- (Previous Year ₹43,02,60,726/-).
- g) Term Loans from Cosmos Bank, Loan – I & II of ₹ 35 crores for expansion of existing Clubs and secured by "The Country Club De Goa" no.836/1, Anjuna, Bardez, Goa and "the Country Club Spring" situated at C.T.S no. 1104/03 of village Kandivali, parekh Nagar, Kandivali, Mumbai. The Outstanding Balance for the Current year is ₹ 15,04,18,738/- (Previous Year ₹ 15,77,63,040/-)
- h) Term Loan from Cosmos Bank, Loan of ₹25 Crores for refurbishment and modernization of its clubs located at Pune, Kolkatta, Goa and Indore, secured by way of additional charge on property located at "The Country Club De Goa" No.836/1, Anjuna Bardez, Goa owned by Aquarian Realtors Pvt. Ltd. and "The Country Club Spring" situated at C.T.S No. 1104/03 of village Kandivali, Parekh Nagar, Kandival owned by M/s Swami Vivekanand Training and Education Centre Pvt. Ltd and additional security by way of registered equitable mortgage on "Country Club Fun & Food", 7thKm, Khandwa Road, Kasturbaagram, Indore owned by the Company. The Outstanding Balance for the Current Year is ₹ 23,24,77,316/- (Previous Year ₹24,28,01,610/-).
- i) Term loan from National Bank of Fujjarah –NBF, Dubai loan of ₹87,53,82,754/- for expansion of existing Dubai Hotel and secured by mortgage of Country Club Hotel, Dubai. The outstanding Balance for the current year is ₹ 143,34,75,347/- (Previous year ₹ 131,14,66,233/-) The term loan taken from Bank of Baroda, Dubai is repaid by National Bank of Fujjarah- NBF.

Equipment Finance and Other Loans

- j) Equipment Finance & Other Loans from HDFC Bank Ltd, ENBD, Dubai Islamic Bank, NBAD & RAK Banks of ₹ 2,35,99,140 & Religare Finvest Ltd, Loan of ₹ 4.25 Crores for Vehicles and for expansion of existing Clubs and the same were secured by way of hypothecation of the Vehicles & mortgage of Club Arzee Limited, Survey no.623 & 624/2 adajan, Surat, Gujarat respectively . The Outstanding Balance for the Current year is ₹1,44,16,319/- (Previous Year ₹ 4,30,65,856/-).
- k) Lease Finance Loan from NOIDA Authority of ₹ 2.37 Crores for Plot and the same is secured against the plot no. N-14, Sector – 18, Noida, Uttar Pradesh. The Outstanding Balance for the Current year is ₹2,91,64,614/- (Previous Year ₹1,32,82,000/-).
36. As per AS 17 Segment report, it is difficult to identify segment wise profitability and Capital Employed considering that infrastructure is common for all the revenue activities of the Company.
37. Pertaining to unclaimed dividend, no amount is due and outstanding as unclaimed dividend for more than seven years to be transferred to Investor Education & Protection Fund.

Particulars	Amount (₹)
Unpaid Dividend for the year 2013-14	2, 72,327
Unpaid Dividend for the year 2012-13	2,69,831
Unpaid Dividend for the year 2011-12	2,44,278
Unpaid Dividend for the year 2010-11	2,34,126
Unpaid Dividend for the year 2009-10	2,47,017
Unpaid Dividend for the year 2008-09	7,59,700
Unpaid Dividend for the year 2007-08	1,060

38. Grater Hyderabad Municipal Corporation has acquired 1512.18 sq. yds of land from the Company for the purpose of Hyderabad Metro Rail Project for the benefit of the public and consideration has been paid by them to the company.
39. Previous year's figures have been regrouped wherever necessary.
40. The figures have been rounded off to the nearest rupee.

As per our report of even date

For P. Murali & Co.,
Chartered Accountants
FRN: 007257S

For and on behalf of the Board of Directors
For Country Club Hospitality & Holidays Limited

P. Murali Mohana Rao
Partner
Membership Number: 023412

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

Place : Hyderabad
Date : 30-05-2016

K. Phaneendra Rao
Chief Financial Officer

V. Sreelatha
Company Secretary

STANDALONE

Financial Section

Independent Auditor's Report

To the Members

Country Club Hospitality & Holidays Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Country Club Hospitality & Holidays Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss 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 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 and presentation 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 Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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 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 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 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 2016, 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further 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 the 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 applicable 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 March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in ' Annexure B'; and
 - g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its notes to financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company during the year ended 31st March 2016.

for **P. Murali & Co.**,
Chartered Accountants
FRN: 007257S

P. Murali Mohana Rao
Partner

Membership Number: 023412

Place : Hyderabad
Date : 30-05-2016

Annexure A to the Auditors Report

Annexure referred to in Independent Auditors Report to the Members of Country Club Hospitality & Holidays Ltd on the standalone financial statements for the year ended 31st March 2016, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on such verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said order are not applicable to the company.
- iv. The Company has not granted any loans or made any Investments, or provided any guarantee or security to the parties covered under section 185 and 186 of the Act. Therefore, the provisions of clause 3(iv) of the said order are not applicable to the company.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues except in few cases, including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Custom Duty Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India;
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues in arrears as at 31st March 2016 for a period of more than 6 months for the date they became payable.
- (c) According to the information and explanations given to us and based on the records of the company examined by us, the Company has disputed Income Tax dues amounting to ₹11,34,56,266 which belongs to various Assessment Years which has not been deposited on account of disputes:
- viii. In our opinion, and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution or banks as at the balance sheet date except with few delays in payment.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of this clause are not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our Audit.
- xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandate by the provisions of section 197 read with schedule V to the Act.

- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the Provisions of clause 3(xii) of the order are not applicable to the company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting standard (AS) 18, related party disclosures specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment of private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

For **P. Murali & Co.**,
Chartered Accountants
FRN: 007257S

P. Murali Mohana Rao
Partner

Membership Number: 023412

Place : Hyderabad
Date : 30-05-2016

Annexure B to the Independent Auditor's Report

Report on the Internal Financial Controls under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')

We have audited the internal financial controls over financial reporting of Country Club Hospitality & Holidays Limited ('the company') as of 31st march 2016 in conjunction with our audit of standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our Audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standards on Auditing deed to be prescribed under section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risk of martial misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and the company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be deducted. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute Of Chartered Accountants of India.

For **P. Murali & Co.,**
Chartered Accountants
FRN: 007257S

P. Murali Mohana Rao
Partner

Membership Number: 023412

Place : Hyderabad
Date : 30-05-2016

Balance Sheet as at 31-03-2016

Amount in ₹

Particulars	Note Nos.	As at 31-03-2016	As at 31-03-2015
I EQUITY AND LIABILITIES			
1. Shareholders Funds			
(a) Share Capital	1	326,929,470	326,929,470
(b) Reserves & Surplus	2	6,471,184,805	6,606,489,130
2. Non-Current Liabilities			
(a) Long-Term Borrowings	3	2,933,569,826	3,317,463,164
(b) Deferred Tax Liabilities (Net)	4	672,315,290	576,320,134
(c) Other Long Term Liabilities	5	7,671,498	9,821,498
3. Current Liabilities			
(a) Trade Payables	6	174,390,365	167,077,590
(b) Other Current Liabilities	7	595,871,048	381,077,479
(c) Short-Term Provisions	8	354,840,787	373,181,734
TOTAL		11,536,773,089	11,758,360,199
II ASSETS			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	7,211,759,749	7,236,988,061
(ii) Intangible Assets		146,162,395	149,852,506
(iii) Capital Work in progress		-	99,060,875
(iv) Work in progress		41,216,520	22,936,931
(b) Non-Current Investments	10	2,401,458,339	2,401,458,339
(c) Long-Term Loans and Advances	11	1,258,554,296	1,360,372,434
2. Current Assets			
(a) Current Investments	12	1,125,000	1,125,000
(b) Inventories	13	20,114,612	19,173,170
(c) Trade Receivables	14	60,421,254	61,202,936
(d) Cash and Cash Equivalents	15	107,583,665	132,328,388
(e) Short-Term Loans and Advances	16	257,016,577	240,773,221
(f) Other Current Assets	17	31,360,682	33,088,338
TOTAL		11,536,773,089	11,758,360,199

Significant Accounting Policies & Notes to Financial Statements

1 to 39

As per our report of even date
For P. Murali & Co.,
 Chartered Accountants
 FRN: 007257S

**For and on behalf of the Board of Directors
 For Country Club Hospitality & Holidays Limited**

P. Murali Mohana Rao
 Partner
 Membership Number: 023412

Y. Rajeev Reddy
 Chairman & Managing Director

Y. Siddharth Reddy
 Vice-Chairman, JMD & CEO

Place : Hyderabad
 Date : 30-05-2016

K. Phaneendra Rao
 Chief Financial Officer

V. Sreelatha
 Company Secretary

Profit & Loss Account for the year ended 31-03-2016

Amount in ₹

Particulars	Note Nos.	Ended 31-03-2016	Ended 31-03-2015
1. INCOME			
Revenue From Operations	18	2,810,620,404	2,712,103,309
Other Income	19	122,236,880	19,705,016
TOTAL REVENUE		2,932,857,284	2,731,808,325
2. EXPENDITURE			
Cost of Material Consumed	20	109,780,212	82,295,707
Employee Benefit Expenses	21	1,106,631,255	1,037,170,495
Finance Cost	22	398,469,431	405,983,066
Depreciation and Amortisation Expenses	9	197,111,464	189,998,811
Other Expenses	23	1,131,370,775	1,081,843,991
TOTAL EXPENDITURE		2,943,363,137	2,797,292,070
3. PROFIT			
Profit Before Tax (1 - 2)		(10,505,853)	(65,483,745)
Tax Expense:			
- Current Tax		-	-
- Deferred Tax		95,995,156	47,434,608
Profit for the Year		(106,501,009)	(112,918,353)
Earning Per Share			
- Basic		(0.65)	(0.69)
- Diluted		(0.65)	(0.69)

Significant Accounting Policies & Notes to Financial Statements

1 to 39

As per our report of even date

For P. Murali & Co.,
Chartered Accountants
FRN: 007257S

For and on behalf of the Board of Directors
For Country Club Hospitality & Holidays Limited

P. Murali Mohana Rao
Partner
Membership Number: 023412

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

Place : Hyderabad
Date : 30-05-2016

K. Phaneendra Rao
Chief Financial Officer

V. Sreelatha
Company Secretary

Notes to the Financial Statements for the year ended 31st March 2016

NOTE NO. 1 : SHARE CAPITAL

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Authorised Capital	440,000,000	440,000,000
220000000 Equity Shares (Previous Year 220000000 Equity Shares)		
Issued, Subscribed & Fully Paid up:	326,929,470	326,929,470
163464735 Equity Shares (Previous Year 163464735 Equity Shares)		
	326,929,470	326,929,470
Par Value per Share	2	2

Notes:

3 a. Terms /rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs.2/-.

Each Equity shareholder is entitled to one vote per share

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Total No of shares at opening accounting period	163,464,735	163,464,735
Add: No of shares issued during the year - Amalgamation	-	-
Add: No of shares issued during the year - Bonus Issue	-	-
Add: No of shares issued during the year - Cash Issue	-	-
Less : No of shares Forfeited/Bought Back during the year	-	-
Total No of shares at end of accounting period	163,464,735	163,464,735

Shares in the Company held by each shareholder holding more than 5% shares of the Company

Y.Rajeev Reddy		
- No of Shares	106,337,986	106,337,986
- % held in the Company	65.05	65.05

NOTE NO. 2 : RESERVES AND SURPLUS

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Capital Reserve		
As per last year Balance Sheet	305,088,694	305,088,694
	305,088,694	305,088,694
Securities Premium Account	4,962,471,969	4,962,471,969
Revaluation Reserve	24,270,349	24,270,349
General Reserve		
As per last year Balance Sheet	83,300,000	83,300,000
Add: Transfer from statement of Profit and Loss account	-	-
	83,300,000	83,300,000
Surplus:		
Surplus in Statement of Profit and Loss		
As per last year Balance Sheet	1,231,358,118	1,538,253,355
Amount transferred to Retained Earnings in pursuant of Schedule II to The Companies Act,2013	(28,803,316)	(193,976,884)
Add: Current year Profit/(Loss)	(106,501,009)	(112,918,353)
Surplus in Profit & Loss Account	1,096,053,793	1,231,358,118
Total Reserves and Surplus	6,471,184,805	6,606,489,130

Notes to the Financial Statements for the year ended 31st March 2016

NOTE NO. 3 : LONG-TERM BORROWINGS

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Secured		
Term loans From Banks		
- Oriental Bank of Commerce Loan	76,806,906	81,663,457
- Oriental Bank of Commerce Loan (Secured by way of Hypothecation of Land & Buildings)	36,398,870	40,460,496
- UBI Loan (Secured by way of Hypothecation of Land & Buildings)	388,168,828	449,601,117
- Vijaya Bank Loan (Secured by way of Hypothecation of Land & Buildings)	284,792,637	325,636,713
- Bank of India Loan (Secured by way of Hypothecation of Land & Buildings)	171,758,145	197,193,550
- Central Bank of India (Secured by way of Hypothecation of Land & Buildings)	347,266,886	440,281,665
- Canara Bank (Secured by way of Hypothecation of Land & Buildings)	401,992,630	471,650,243
- Saraswat Co-op Bank Loan I	81,960,513	88,526,808
- Saraswat Co-op Bank Loan II (Secured by way of Hypothecation of Land & Buildings)	404,859,869	430,260,726
- Cosmos Bank Loan I	53,513,661	63,841,646
- Cosmos Bank Loan II	71,822,077	85,738,394
- Cosmos Bank Loan III (Secured by way of Hypothecation of Land & Buildings)	207,102,316	231,183,610
Equipment Finance & Other Loans (Loan from HDFC Bank Ltd, Saraswath Co-op Bank Ltd, Ratnakar Bank Ltd & Religare Finvest Ltd and the same were secured by way of hypothecation of the Vehicles/Land & Buildings)	-	3,606,111
	2,526,443,338	2,909,644,536
Unsecured		
Loans and Advances From Related Parties		
- Country Vacations International Limited - Dubai	270,176,928	270,176,928
- Country Vacations International Limited - India	2,427,401	3,119,541
- Loan from Promoters	134,522,159	134,522,159
	407,126,489	407,818,628
	2,933,569,826	3,317,463,164

NOTE NO. 4 : DEFERRED TAX LIABILITIES (NET)

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Opening Deferred tax Liability	576,320,134	528,885,526
Add: Deferred Tax Liability for the year (Due to SLM and WDV Difference)	95,995,156	47,434,608
	672,315,290	576,320,134

NOTE NO. 5 : OTHER LONG-TERM LIABILITIES

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Unsecured		
Deposits	7,671,498	9,821,498
	7,671,498	9,821,498

Notes to the Financial Statements for the year ended 31st March 2016

NOTE NO. 6 : TRADE PAYABLES

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Total Outstanding Dues to Micro and Small Enterprises		
Others	174,390,365	167,077,590
	174,390,365	167,077,590

NOTE NO.7 : OTHER CURRENT LIABILITIES

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Current Maturities of Long-Term Debt	321,069,086	149,909,419
Advance Received from Customers	2,494,013	2,152,694
Unpaid Dividends	2,028,339	2,573,128
Dues to Statutory Authorities	173,629,801	101,342,211
Other Liabilities	66,868,750	94,289,643
Creditors for Capital Goods	29,781,059	30,810,384
	595,871,048	381,077,479

NOTE NO.8 : SHORT-TERM PROVISIONS

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Provision for Employee Benefits		
- Salaries Payable (Includes Incentives)	194,154,243	242,744,630
- PF Payable	15,870,382	16,186,429
- ESIC Payable	11,813,482	6,020,058
- PT Payable	4,752,221	3,904,479
Others		
- Consultancy & Professional Charges Payable	2,415,145	3,558,066
- Provision for Expenses	125,835,314	100,768,072
	354,840,787	373,181,734

NOTE NO. 10 : NON-CURRENT INVESTMENTS

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Non-Current Investments		
Long term investments (At Cost, Un Quoted)		
Investment in Equity Shares of Subsidiaries (Non Trade Fully paid up)	2,396,568,339	2,396,568,339
Investment in Preference Shares of Subsidiaries (Non Trade Fully paid up)	4,890,000	4,890,000
	2,40,14,58,339	2,40,14,58,339

NOTE NO. 11 : LONG-TERM LOANS AND ADVANCES

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Unsecured Considered Good		
Capital advance	98,087,266	193,647,442
Security Deposit	191,626,546	193,370,015
Loans and Advances to Related Parties		
Advances given to subsidiary companies	959,984,110	964,947,491
Other Loans and Advances	8,856,374	8,407,486
	1,258,554,296	1,360,372,434

Notes to the Financial Statements for the year ended 31st March 2016

NOTE NO. 12 : CURRENT INVESTMENTS

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Investment-The Saraswat Coop Bank	25,000	25,000
Investment-CANARA ROBECO Mutual Fund	1,000,000	1,000,000
Investment-The Cosmos Coop Bank	100,000	100,000
	1,125,000	1,125,000

NOTE NO. 13 : INVENTORIES

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Inventories (at lower of cost & net realisable value)		
Stores:		
Food,Beverages,Smokes & Operating Supplies	4,774,022	3,399,846
Gifts	15,340,590	15,773,324
	20,114,612	19,173,170

NOTE NO. 14 : TRADE RECEIVABLES

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Receivables outstanding for more than six months from the date they are due for payment	6,869,292	6,023,220
Unsecured & Considered Good		
Receivables outstanding for less than six months from the date they are due for payment	53,551,962	55,179,716
Unsecured & Considered Good		
	60,421,254	61,202,936

NOTE NO. 15 : CASH AND CASH EQUIVALENTS

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Cash on hand	3,199,051	9,012,321
Balances with banks :		
- Current Accounts	71,252,387	88,713,566
- Fixed Deposits - with maturity of less/more than	31,859,723	31,251,114
Earmarked Accounts		
- Unpaid Dividend Accounts	1,272,504	3,351,387
	107,583,665	132,328,388

NOTE NO. 16 : SHORT TERM LOANS AND ADVANCES

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Advance to Suppliers	2,283,079	4,857,568
Loans and Advances to Employees	5,496,483	5,249,481
Advances Recoverable in Cash or Kind - (Unsecured, Considered Good)	193,963,978	199,380,582
Advances with Statutory Authorities	55,273,037	31,285,590
	257,016,577	240,773,221

Notes to the Financial Statements for the year ended 31st March 2016

NOTE NO. 17 : OTHER CURRENT ASSETS

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
VAT Receivables	7,663,789	6,583,463
TDS/TCS Receivables	7,542,075	6,743,025
Prepaid Expenses	3,838,951	6,158,449
Service Tax Credit Receivables	12,315,867	13,603,401
	31,360,682	33,088,338

Notes to Statement of Profit & Loss

NOTE NO. 18 : REVENUE FROM OPERATIONS

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Sales of Services		
Income from Sale of Membership, Vacation Ownership & Guest Accommodation & Training/Coaching in recreational activities relating to Art, Culture & Sports, Fitness Income from Hotel, Clubs & Resorts	2,140,920,663	2,200,272,913
- Food & Beverages from Restaurant & Banquets	206,117,758	140,965,274
- Others (Including Facilities) Annual Subscription Fee	463,581,983	370,865,122
	2,810,620,404	2,712,103,309

NOTE NO. 19 : OTHER INCOME

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Interest Income		
- On Deposits with Bank	1,204,434	1,298,072
Miscellaneous Income	121,032,446	18,406,944
	122,236,880	19,705,016

NOTE NO. 20 : COST OF MATERIAL CONSUMED

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Opening Stock of Food & Beverages, Stores and Operating Supplies	3,399,846	4,981,746
Add: Purchases	111,154,388	80,713,807
Less: Closing Stock of Food & Beverages, Stores and Operating Supplies	4,774,022	3,399,846
	109,780,212	82,295,707

NOTE NO. 21 : EMPLOYEE BENEFIT EXPENSES

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Salaries & Other Benefits	1,043,588,844	965,254,215
Contribution to Provident & Other Funds	38,618,133	43,029,695
Staff Welfare Expenses	24,424,278	28,886,585
	1,106,631,255	1,037,170,495

Notes to the Financial Statements for the year ended 31st March 2016

NOTE NO. 22 : FINANCE COST

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Interest on Term Loans	398,469,431	405,983,066
	398,469,431	405,983,066

NOTE NO. 23 : OTHER EXPENSES

Amount in ₹

Particulars	As at 31-03-2016	As at 31-03-2015
Upkeep & Service Cost		
- Building Maintenance	3,691,067	4,776,293
- Repairs, Maintenance to other assets.	10,940,575	8,995,506
- Vehicle Maintenance & Running Exp.	2,985,209	3,913,175
- Other Maintenance	50,464,636	38,629,355
Power & Fuel	93,450,469	91,356,048
Rent including Lease Rent	263,897,581	269,566,725
Rates & Taxes	46,177,877	46,662,060
Insurance	3,221,522	8,811,472
Finance Charges	77,192,202	83,393,686
Travelling & Conveyance	51,993,362	58,911,357
Printing & Stationery	21,486,008	25,142,254
Postage, Telegram & Telephones	68,555,333	72,363,336
Advertisement & Other Marketing Expenses	296,029,248	266,242,786
Other Administrative Expenses	112,368,403	74,985,885
Legal & Professional Charges.	27,917,283	27,094,053
Auditors Remuneration Includes		
- Audit Fee	500,000	500,000
- For Taxation Matters	200,000	200,000
- For Other Services	300,000	300,000
	1,131,370,775	1,081,843,991

As per our report of even date

For P. Murali & Co.,
Chartered Accountants
FRN: 007257S

For and on behalf of the Board of Directors
For Country Club Hospitality & Holidays Limited

P. Murali Mohana Rao
Partner
Membership Number: 023412

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

Place : Hyderabad
Date : 30-05-2016

K. Phaneendra Rao
Chief Financial Officer

V. Sreelatha
Company Secretary

Notes to the Financial Statements for the year ended 31st March 2016

NOTE NO.9: FIXED ASSETS

(SLM METHOD)

PARTICULARS	GROSS BLOCK AS ON 1-4-2015	ADDITIONS DURING THE YEAR	DELETIONS DURING THE YEAR	GROSS BLOCK AS ON 31-03-2016	DEPRECIATION UP TO 1-4-2015	DEPRECIATION DURING THE YEAR	DELETION DEP DURING THE YEAR	DEPRECIATION AS ON 31-03-2016	NET BLOCK AS ON 31-03-2016	NET BLOCK AS ON 31-03-2015
Tangible Assets										
Land & Site Development	566,376,592	1,427,286	16,097,408	551,706,470	-	-	-	-	551,706,470	566,376,592
Building	7,129,229,225	127,225,457	50,649,149	7,205,805,533	1,072,922,376	112,249,814	8,650,379	1,176,521,811	6,029,283,722	6,056,306,849
Furniture & Fixtures	291,817,990	103,704,561	43,469,249	352,053,302	65,039,784	35,531,312	19,640,982	80,930,114	271,123,188	226,778,206
Plant & Machinery	518,113,419	9,202,252	3,588,860	523,726,811	150,426,400	32,815,541	1,018,698	182,223,243	341,503,568	367,687,019
Computers	29,019,971	14,053,309	5,375,796	37,697,484	29,019,971	4,579,612	1,945,922	31,653,661	6,043,823,00	-
Vehicles	41,823,864	58,000	17,493,419	24,388,445	21,984,469	3,751,516	13,446,518	12,289,467	12,098,978	19,839,395
Total - A	8,576,381,061	255,670,865	136,673,881	8,695,378,045	1,339,393,000	188,927,795	44,702,499	1,483,618,296	7,211,759,749	7,236,988,061
Previous Year	8,410,680,380	639,105,229	473,404,548	8,576,381,061	1,429,832,092	185,571,000	276,010,092	1,339,393,000	7,236,988,061	6,980,848,288
Intangible Assets										
Goodwill	141,816,525	-	-	141,816,525	-	-	-	-	141,816,525	141,816,525
Software & Development	22,953,768	4,557,276	105,650	27,405,394	14,917,787	8,183,669	41,932	23,059,524	4,345,870	8,035,981
Total - B	164,770,293	4,557,276	105,650	169,221,919	14,917,787	8,183,669	41,932	23,059,524	146,162,395	149,852,506
Previous Year	163,835,871	934,422	-	164,770,293	10,489,976	4,427,811	-	14,917,787	149,852,506	153,945,895
Grand Total - A+B	8,741,151,354	260,228,141	136,779,531	8,864,599,964	1,354,310,787	197,111,464	44,744,431	1,506,677,820	7,357,922,143	7,386,840,566
Total Previous Year	8,574,516,251	640,039,651	473,404,548	8,741,151,354	1,440,322,068	189,998,811	276,010,092	1,354,310,787	7,386,840,566	7,134,194,183

Cash Flow Statement for the year ended 31.03.2016

Amount in ₹

Particulars	Current Year Amount in Rs.	Previous Year Amount in Rs.
I. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax	(10,505,853)	(65,483,745)
Adjustments for : -		
Depreciation	197,111,464	189,998,811
Interest Paid	398,469,431	405,983,066
Excess amount charged to surplus in Reserves and Surplus	(28,803,316)	(193,976,884)
Interest Income	(1,204,434)	(1,298,072)
Operating Cash Flow before Working Capital Changes	555,067,292	335,223,176
(Increase) / Decrease in Inventory	(941,442)	5,562,407
(Increase) / Decrease in Trade Receivables	781,682	(3,654,465)
(Increase) / Decrease in Short Term Loans & Advances	(16,243,356)	(14,496,657)
(Increase) / Decrease in Other Current Assets	1,727,656	11,222,478
(Increase) / Decrease in Current Investments	-	-
Increase / (Decrease) in Deferred Income (Current)	-	(33,418,222)
Increase / (Decrease) in Trade Payables	7,312,775	(36,412,329)
Increase / (Decrease) in Other Current Liabilities	214,793,569	(838,090,862)
Increase / (Decrease) in Short Term Provisions	(18,340,947)	(245,789,086)
CASH GENERATED FROM OPERATIONS	744,157,229	(819,853,560)
Add: Prior Period Expenses	-	-
Less: Income Tax Paid	-	-
CASH GENERATED FROM OPERATING ACTIVITIES	744,157,229	(819,853,560)
II. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase/Sale of fixed Assets	(168,193,041)	(442,645,195)
Capital Work in Progress, Pre-operative Expenses	80,781,285	1,066,205,850
Interest Income	1,204,434	1,298,072
(Increase) / Decrease in Long Term Loans & Advances	101,818,138	(9,422,528)
NET CASH AVAILABLE FROM INVESTING ACTIVITIES	15,610,816	615,436,199
III. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds From Issue of Equity Shares	-	-
Proceeds/(Repayment) of Loan	(383,893,337)	610,796,377
Share Premium and Capital Reserve	-	-
Interest Paid	(398,469,431)	(405,983,066)
Increase / (Decrease) in Other Long Term Liabilities	(2,150,000)	600,000
Proceeds/(Repayment) of Membership Fees	-	-
NET CASH USED IN FINANCING ACTIVITIES	(784,512,768)	(205,413,311)
NET INCREASE IN CASH AND CASH EQUIVALENTS(I+II+III)	(24,744,723)	995,950
Opening Balance of Cash & Cash Equivalents	132,328,388	131,332,438
Closing Balance of Cash & Cash Equivalents	107,583,665	132,328,388

As per our report of even date

For P. Murali & Co.,
Chartered Accountants
FRN: 0072575

For and on behalf of the Board of Directors
For Country Club Hospitality & Holidays Limited

P. Murali Mohana Rao
Partner
Membership Number: 023412

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

Place : Hyderabad
Date : 30-05-2016

K. Phaneendra Rao
Chief Financial Officer

V. Sreelatha
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statement:

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (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 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). 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.

2. Revenue Recognition:

- (a) The Company's business is to sell Vacation ownership, provide holiday facilities, guest accommodation, Training/Coaching in recreational activities relating to art, culture & sports, fitness training and clubbing to its members for a specified period, for which membership fee is collected either in full up front, or on installment basis. Membership fees, which is non-refundable, is recognized as income on admission of a member. Requests for cancellation of membership are accounted for when it is accepted by the Company. In respect of installments considered doubtful of recovery by the management, the same is treated as a cancellation and accounted for accordingly.
- (b) Annual subscription fee dues from members are recognized as income on receipt basis.
- (c) Income from resorts includes income from room rentals, food and beverages etc. and is recognized when services are rendered.

3. Use of Estimates:

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

4. Investments:

Long-term investments are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment. The reduction in the carrying amount is reversed when there is a rise in the value of the investment or if the reasons for the reduction no longer exist.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment.

5. Fixed Assets:

Fixed assets are carried at the cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed under capital work-in-progress.

6. Depreciation:

Depreciation on fixed assets is provided using the straight-line method over the useful life of the assets specified in Schedule II to the Companies Act, 2013. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed. Assets acquired on finance leases are depreciated over the period of the lease agreement or the useful life whichever is shorter.

With effect to the changes in the useful life of the assets as per schedule II to the Companies Act 2013, the carrying amount of the assets as on date is depreciated over its remaining useful life and the carrying amount of the assets whose remaining useful is nil is adjusted against the general reserves of the company.

As per schedule II to the Companies Act 2013 estimates the useful lives for the fixed assets as follows:

Buildings	60 years
Furniture & fixtures	8 years
Plant & Machinery	15 years
Computers	3 years
Vehicles	8 years
Software & Development	3 years

7. Capital Work-in-Progress:

The Capital Work-in-Progress includes cost of Fixed Assets under installation, advances for Project cost and unallocated expenditure.

8. Inventories:

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

9. Taxation:

Income tax expense comprises current tax and deferred tax charge or credit.

Current tax: The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax: Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each

Balance Sheet date and is written-down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized. The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company has a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

10. Earnings per Share:

The basic earnings per share ("EPS") is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares) as per Accounting Standard – 20.

11. Investments

Trade investments are the investments made to enhance the group's business interest. Investments are classified either as current or long term investments based on the management's intention at the time of purchase. Current

investments are carried at the lower of cost and fair value of each investment individually. Cost for overseas investments comprises the Indian rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment. Long term investments are carried at cost less provision recorded to recognize any decline, other than temporary, in the carrying value of each investment.

12. Cash and Cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

13. Cash Flow Statement

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of non cash nature, any deferrals, accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing or financing activities of the group are segregated.

14. Provisions and contingent liabilities:

A provision is recognised when the Company has a present obligation as result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimate can be made. Contingent liabilities are disclosed in the notes.

15. Retirement benefits to employees:

Provident fund

Contributions to defined Schemes such as Provident Fund are charged as incurred on accrual basis. Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions to the government administered authority

16. Leases:

Assets taken on lease where the company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The amount recorded is the lesser of the present value of minimum lease rental and other incidental expenses during the lease term or the fair value of the assets taken on lease.

The rental obligations, net of interest charges, are reflected as secured loans. Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases and recorded as expense as and when the payments are made over the lease term.

17. Borrowing Cost:

Borrowing cost that are attributable to the acquisition, construction or production of qualifying asset are capitalized as part of cost of such asset till such time as the asset is ready for its intended to use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as expenses in the period in which they are incurred.

18. Impairment of assets:

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Notes to the Financial Statements

24. Particulars of Key Managerial Personnel and remuneration paid to them

Amount in ₹

S.No	Name of the Directors	Designation	Remuneration
1	Mr. Y. Rajeev Reddy	Chairman & Managing Director	36,00,000
2	Mr. Y. Siddharth Reddy	Vice-Chairman, JMD & CEO	30,00,000
3	Mr. Y. Varun Reddy	Vice-Chairman, JMD & COO	30,00,000

25. Particulars relating to managing director

Amount in ₹

Particulars	Current Year	Previous Year
Directors' Remuneration	96,00,000	1,11,00,000
Brand Ambassador Fee	48,00,000	48,00,000

26. Detailed information regarding quantitative particulars under part II of Schedule III to the Companies Act, 2013.

- l) As the turnover of the Company is in respect of supply of food and beverages, it is not possible to give quantity wise details of turnover.

27. Earnings and Expenditure in Foreign Currency

- a. Foreign Currency expenditure/inflow as follows

Amount in ₹

Particulars	Current Year	Previous Year
Travelling expenses	-	(12,626)
Subsidiary Company	(236,302,761)	28,21,01,336
Total Netflow	(236,302,761)	28,20,88,710

28. The company has not made any provision for Leave Encashment and Gratuity to its employees. Leave Encashment and Gratuity are accounted as and when payments are made and as such the Liability has not been ascertained.

29. There are no dues to SSI Units outstanding for more than 30 days.

30. In accordance with Accounting Standard 22 (AS - 22) issued by the ICAI, the Company has accounted for deferred tax and income tax as given below:

Amount in ₹

Particulars	Current Year	Previous Year
Income Tax	-	-
Deferred Tax	9,59,95,156	4,74,34,608

31. As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties.

Relationship	Name of the Related Party
Subsidiary Companies	a) Aquarian Realtors Pvt Ltd b) Bright Resorts Pvt Ltd c) Bush Betta Holiday Ownership Wildlife Adventure Resort Pvt Ltd d) Chanakyapuri Resorts Pvt Ltd e) Country Club Babylon Resorts Pvt Ltd f) Country Vacations International Ltd – Dubai g) Country Vacations International Ltd – India h) International Country Holidays Private Limited (formerly known as Aakruti Engineers Private Limited) i) J.J. Arts & Entertainments Pvt Ltd j) Maruti Waterpark & Entertainments Pvt Ltd k) Swami Vivekanand Training & Education Centre Pvt Ltd l) Swimwel Investment & Trading Pvt Ltd m) Club Arzee Ltd
Step-Down Subsidiaries	a) Country Club & Vacations W.L.L – Qatar b) Country Vacations International Limited – London c) Country Vacations International LLC – Dubai d) Country Vacations International LLC – Oman e) Country Vacations International LLC–Abu Dhabi f) Country Vacations International SDN BHD, Malaysia g) Country Vacations International W.L.L – Bahrain h) Jade Resorts Pvt Ltd i) Kolet Resort Club Pvt Ltd
Other Companies	a) Amrutha Estates Pvt Ltd b) Country Condos' Limited c) Country Vacations International – Dubai d) Zen Garden Hotel Private Limited
Vice-Chairman, JMD&COO CMD Director	Y. Varun Reddy Y. Rajeev Reddy Y. Manjula Reddy

B. Transactions during the year with Related Parties

Amount in ₹

Nature of Transaction	Subsidiary Companies including Step-Down Subsidiaries	Other Companies	Other Related Parties
Lease Rentals payable	15,00,000	7,20,000	57,29,030
Directors Remuneration	-	-	96,00,000
Brand Ambassador fee	-	-	48,00,000

32. The Basic and Diluted EPS is Calculated as under

Particulars	31st March,2016	31st March,2015
a) Profit after Tax (₹)	(10,65,01,009)	(11,29,18,353)
b) Earnings available to Equity Shareholders for Basic & Diluted EPS (₹)	(10,65,01,009)	(11,29,18,353)
c) Weighted average Number of Shares taken for computation of EPS		
- Basic	16,34,64,735	16,34,64,735
- Diluted		
d) Earning per Share		
- Basic	(0.65)	(0.69)
- Diluted	(0.65)	(0.69)
e) Nominal Value per Share (₹)	2	2

33. Contingent Liabilities:

34. Contingent Liabilities:

The Company jointly with Mr.Y.Rajeev Reddy (Managing Director) and Country Vacations International LLC, Dubai has provided corporate guarantee of AED 90,000,000/- to National Bank of Fujairah, Dubai in respect of the facilities granted to M/s. Country Vacations International Ltd- Dubai.

According to the information and explanations given to us and based on the records of the company examined by us, the Company has disputed Income Tax dues amounting to ₹11,34,56,266 which belongs to various Assessment Years which has not been deposited on account of disputes:

34. Secured Loans:

From Banks

- a) Term Loans from Oriental Bank of Commerce, Loans I & II of ₹ 25 crores for expansion of existing Clubs and secured by The Country Club (EROS Regency) situated at land Bearing killa no. 2,9,10/1,10/2 & 11/4 at village lakarpur, EROS Regency Township, Surajkund, Faridabad, Harayana. The Outstanding Balance for the Current year is ₹ 12,10,60,776/- (Previous Year ₹12,21,23,953/-)
- b) Term Loans from Union Bank of India, Vijaya Bank and Bank of India of ₹ 115 crores has been taken for repayment of FCCB's and secured by way of properties located in Hyderabad, Banglore, Chennai and Kodaikanal. Further, the charge has been created on Delhi & Karnataka cash flows for servicing of the above loan. Additionally, the personal guarantees has also been given by three Directors (i.e. Mr. Y Rajeev Reddy, Y. Siddharth Reddy & Y. Varun Reddy). The Outstanding Balance for the Current year is ₹84,47,19,610/- (Previous Year ₹ 97,24,31,380/-).
- c) Term Loan from Central Bank of India of ₹50 Crores to carry out interior, Gym/Fitness Centres and Civil works of the Company's property at multiple locations. Further charge has been created on Company's properties (movable/immovable) at Bangalore, Trivandrum and Bandipur. Additionally, the personal guarantees are also given by three Directors (i.e. Mr Y Rajeev Reddy, Y. Siddharth Reddy & Y. Varun Reddy). The Outstanding (Including Interest) Balance for the Current year is ₹ 46,95,66,886/- (Previous Year ₹50,14,81,665/-).
- d) Term Loan from Canara Bank of ₹50 Crores for the Company's expansion plan at Kolkatta, Cochin and Andheri, Mumbai and normal ongoing capex at various locations. Further charge has been created on Company's properties (movable/immovable) at Kolkatta, Cochin and Andheri, Mumbai. Additionally, the personal guarantees are also given by three Directors (i.e. Mr Y Rajeev Reddy, Y. Siddharth Reddy & Y. Varun Reddy). The Outstanding (Including Interest) Balance for the Current year is ₹47,09,92,630/- (Previous Year ₹ 50,32,50,243/-).
- e) Term Loans from Saraswat Co Op Bank, Loan of ₹25 crores for expansion of existing Clubs and secured by way of mortgage by deposit of title deed immovable property being land and building known as Hotel Amrutha Castle Constructed on plot of land bearing municipal nos.5-9-16, 5-9-17, snf 6-9-18 and adjoining plot and land bearing municipal nos. 5-9-19, and 5-9-18/3 situated at Saifabad, Secretarial Road Hyderabad solely belonging to the company. The Outstanding Balance for the Current year is ₹ 8,85,22,513/- (Previous Year ₹ 8,85,26,808/-)
- f) Term Loan from Saraswat Co Op Bank of ₹50 Crores secured by way of mortgage, by deposit of title deed of immovable property located at Country club Golden Star # 623,624 Next to Pramukh Swami Hospital Adajan, Surat - 395 009 owned by Club Arzee Ltd. ,immovable property at Country Club Resort, Plot No. 496, Bhuvan Village, Kolad, Dist. Raigad. owned by Amruta Estates Pvt. Ltd., immovable property, Hotel Amruta Castle, opp Secretariate, Saifabad, Hyderabad and additional charge on immovable property at The Country Club, Balamatta Road, Mangalore 575 001. belonging to the Company. The Outstanding Balance for the Current Year is ₹43,67,34,869/- (Previous Year ₹43,02,60,726/-).
- g) Term Loans from Cosmos Bank, Loan – I & II of ₹ 35 crores for expansion of existing Clubs and secured by "The Country Club De Goa" no.836/1, Anjuna, Bardez, Goa and "the Country Club Spring" situated at C.T.S no. 1104/03 of village Kandivali, parekh Nagar, Kandivali, Mumbai. The Outstanding Balance for the Current year is ₹15,04,18,738/-(Previous Year ₹ 15,77,63,040/-)
- h) Term Loan from Cosmos Bank, Loan of ₹25 Crores for refurbishment and modernization of its clubs located at Pune, Kolkatta, Goa and Indore, secured by way of additional charge on property located at "The Country Club De Goa" No.836/1, Anjuna Bardez, Goa owned by Aquarian Realtors Pvt. Ltd. and "The Country Club Spring" situated at C.T.S No. 1104/03 of village Kandivali, Parekh Nagar, Kandival owned by M/s Swami Vivekanand

Training and Education Centre Pvt. Ltd and additional security by way of registered equitable mortgage on "Country Club Fun & Food", 7thKm, Khandwa Road, Kasturbaagram, Indore owned by the Company. The Outstanding Balance for the Current Year is ₹ 23,24,77,316/- (Previous Year ₹24,28,01,610/-).

Equipment Finance and Other Loans

- i) Equipment Finance & Other Loans from HDFC Bank Ltd of ₹ 21,54,000 & Religare Finvest Ltd, Loan of ₹ 4.25 Crores for Vehicles and for expansion of existing Clubs and the same were secured by way of hypothecation of the Vehicles & mortgage of Club Arzee Limited, Survey no.623 & 624/2 adajan, Surat, Gujarat respectively . The Outstanding Balance for the Current year is ₹38,54,472/- (Previous Year ₹ 2,76,32,530/-).
- j) Lease Finance Loan from NOIDA Authority of ₹ 2.37 Crores for Plot and the same is secured against the plot no. N-14, Sector – 18, Noida, Uttar Pradesh. The Outstanding Balance for the Current year is ₹2,91,64,614/- (Previous Year ₹1,32,82,000/-).
35. As per AS 17 Segment report, it is difficult to identify segment wise profitability and Capital Employed considering that infrastructure is common for all the revenue activities of the Company.
36. Pertaining to unclaimed dividend, no amount is due and outstanding as unclaimed dividend for more than seven years to be transferred to Investor Education & Protection Fund.

Particulars	Amount (₹)
Unpaid Dividend for the year 2013-14	2,72,327
Unpaid Dividend for the year 2012-13	2,69,831
Unpaid Dividend for the year 2011-12	2,44,278
Unpaid Dividend for the year 2010-11	2,34,126
Unpaid Dividend for the year 2009-10	2,47,017
Unpaid Dividend for the year 2008-09	7,59,700
Unpaid Dividend for the year 2007-08	1,060

37. Grater Hyderabad Municipal Corporation has acquired 1512.18 sq. yds of land from the Company for the purpose of Hyderabad Metro Rail Project for the benefit of the public and consideration has been paid by them to the company.
38. Previous year's figures have been regrouped wherever necessary.
39. The figures have been rounded off to the nearest rupee.

As per our report of even date
For P. Murali & Co.,
 Chartered Accountants
 FRN: 007257S

**For and on behalf of the Board of Directors
 For Country Club Hospitality & Holidays Limited**

P. Murali Mohana Rao
 Partner
 Membership Number: 023412

Y. Rajeev Reddy
 Chairman & Managing Director

Y. Siddharth Reddy
 Vice-Chairman, JMD & CEO

Place : Hyderabad
 Date : 30-05-2016

K. Phaneendra Rao
 Chief Financial Officer

V. Sreelatha
 Company Secretary

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25th Annual General Meeting

Country Club Hospitality & Holidays Limited

CIN: L70102AP1991PLC012714

Registered office: AMRUTHA CASTLE, 5-9-16, SAIFABAD, SECRETARIAT, HYDERABAD, TELANGANA

Form No. MGT-11 PROXY FORM

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

Name of the member(s): Registered address:		E-mail Id: Folio No/ Client Id & DP Id:	
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I/We, being the Member/Members of _____ Shares of Country Club Hospitality & Holidays Limited, hereby appoint:

- 1) _____ of _____ having e-mail id ----- or failing him
 2) _____ of _____ having e-mail id ----- or failing him
 3) _____ of _____ having e-mail id ----- and whose

signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on Friday, 30th September, 2016 at 11:00 a.m. at Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad - 500 003 and at any adjournment thereof in respect of such resolutions as are indicated below:

*** I wish my above Proxy to vote in the manner as indicated in the box below:**

Res. No	DESCRIPTION	FOR	AGAINST
1	Adoption of Financial Statements and Reports thereon for the financial year ended 31st March, 2016		
2	To appoint a Director in place of Mr. Y. Siddharth Reddy, Director who retires by rotation and being eligible offers himself for re-appointment.		
3	Appointment of M/s. P. Murali & Co., Chartered Accountants, as Statutory Auditors of the Company and to fix their remuneration for the financial year ending 31st March, 2017.		
4	To Re-appoint Sri Y. Varun Reddy as Vice-Chairman, JMD & COO for the period of 5 Years		
5	Conversion of Loan Availed from Canara Bank Into Equity Share Capital only in the event of default		
6	Conversion of Loan Availed from Central Bank of India Into Equity Share Capital only in the event of default		

Signed this _____ day of _____ 2016

Signature of the Shareholder

Affix ₹ 1
Revenue Stamp
and Sign Across

Signature of first Proxy holder

Signature of Second Proxy holder

Signature of third Proxy holder

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Corporate Office of the Company at Country Club Kool, #6-3-1219, 4th & 5th Floor, Begumpet, Hyderabad- 500016, not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) This is only optional. Please put a " " in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.

25th Annual General Meeting

Country Club Hospitality & Holidays Limited

CIN: L70102AP1991PLC012714

Registered office: AMRUTHA CASTLE, 5-9-16, SAIFABAD, SECRETARIAT, HYDERABAD, TELANGANA

ATTENDANCE SLIP

Date: 30th September, 2016

Venue: Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad - 500 003

Time: 11:00 A.M.

Name of the Shareholder	Folio no.	DPID and Client ID No.*	No. of Shares

I certify that I am a registered shareholder of the Company, hold above-mentioned shares in the Company, and hereby record my present at the 25th Annual General Meeting of the Company held on 30th September, 2016 at Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad - 500 003

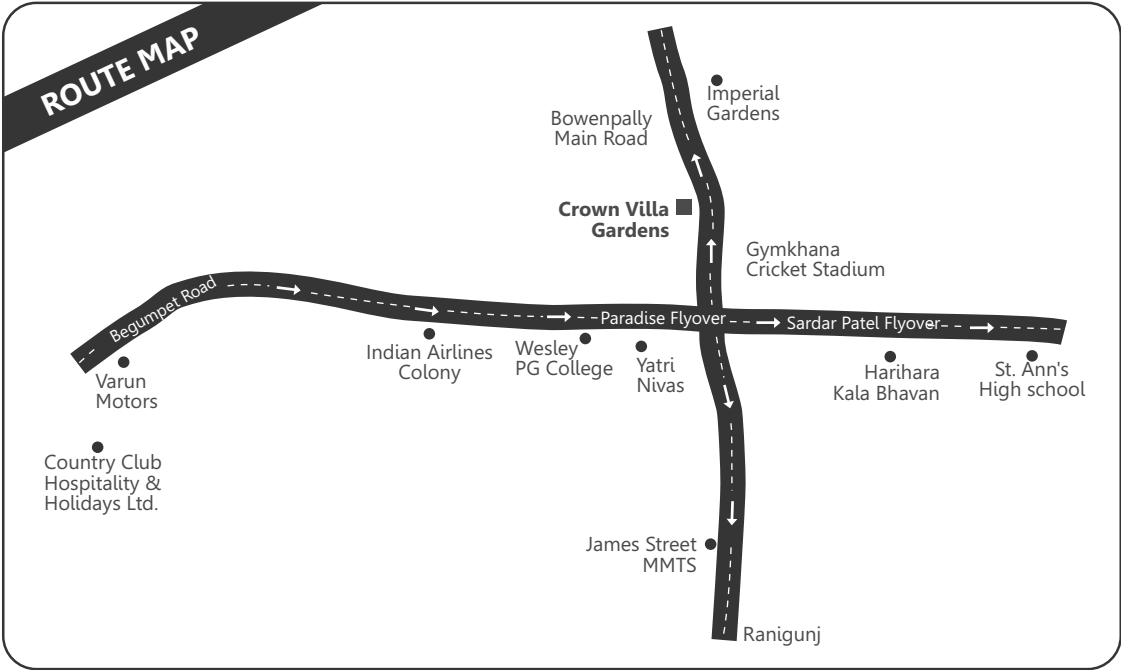
Member's/Proxy Signature

Note: Shareholder/Proxy holder wishing to attend the meeting must bring the Admission Slip and hand over at the entrance duly signed.

* Applicable for investors holding shares in electronic form.

----- TEAR HERE -----

No gifts / gift coupons shall be distributed to the shareholders at or in connection with the AGM.





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