



# COUNTRY CLUB

Hospitality & Holidays Limited

**27<sup>th</sup> | Annual Report  
2017-2018**

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## Corporate Information

### Board of Directors

|                               |   |
|-------------------------------|---|
| Shri Y. Rajeev Reddy          | : Chairman & Managing Director                      |
| Shri Y. Siddharth Reddy       | : ViceChairman, Joint Managing Director & CEO       |
| Shri Y. Varun Reddy           | : Vice Chairman, Joint Managing Director & COO      |
| Shri D. Krishna Kumar Raju    | : Vice Chairman & Director (upto 13th August, 2018) |
| Shri D. Venkata Ratna Kishore | : Director  |
| Shri K. Satyanarayana Raju    | : Director  |
| Shri Y. Subba Rao             | : Director  |
| Smt. Mamatha Madhavi          | : Director (from 7th March, 2018)                   |

|                         |                          |
|-------------------------|--------------------------|
| 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](http://www.countryclubindia.net)

#### Registrar and Share Transfer Agents

Aarthi 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](http://www.aarthiconsultants.com)  
E-mail: [info@arthiconsultants.com](mailto:info@arthiconsultants.com)

#### Statutory Auditors

M/s.P C N & Associates,  
Chartered Accountants  
(Formerly known as  
M/s. Chandra Babu Naidu & Co.,)  
Plot No.12, "N Heights"  
Ground Floor, Software Layout Unit  
Cyberabad, Hyderabad- 500081

#### 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: BSE Limited, Mumbai  
National Stock Exchange of India Limited, Mumbai

**Book Closure Dates: 22<sup>nd</sup> September, 2018 to 29th September, 2018 (Both days inclusive)**

**Country Club Hospitality & Holidays Limited**  
**CIN: L70102AP1991PLC012714**

NOTICE is hereby given that the 27<sup>th</sup> Annual General Meeting of the members of M/s. Country Club Hospitality & Holidays Limited will be held on Saturday, the 29<sup>th</sup> day of September, 2018 at 12.00 Noon at Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad - 500 003 to transact the following business:

**Ordinary Business:**

**1. Adoption of Financial Statements:**

To receive, consider and adopt:

- a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2018, the reports of the Board of Directors and Auditors thereon.
- b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, the reports of the Board of Directors and Auditors thereon.

**2. Appointment of Director:**

To appoint a Director in place of Shri. Y. Varun Reddy (DIN: 01905757), Director who retires by rotation and being eligible offers himself for re-appointment.

**Special Business:**

**3. Appointment of Smt. Mamatha Madhavi Venkateshwara Reddy as a Director of the Company:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder and the Articles of Association of the Company, Smt. Mamatha Madhavi Venkateshwara Reddy(08075749), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 7th March, 2018 and who holds the office until the date of ensuing Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Smt. Mamatha Madhavi Venkateshwara Reddy as a candidate for the office of director of the Company, be and is hereby appointed as Independent Director on the Board of the Company to hold office for a term upto five consecutive years commencing from 29th September, 2018, not liable to retire by rotation.”

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

**Place : Hyderabad**  
**Date : 13<sup>th</sup> August, 2018**

**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 Saturday, 22<sup>nd</sup> September, 2018 to Saturday 29<sup>th</sup> September, 2018 (both days inclusive).
6. 906680 Equity Shares which was lying in the Un-claimed Dividend Account of the Company for the FY 2009–2010 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    | 2,70,658 | 29th October, 2021                                      |
| 2012 – 2013    | 2,67,862 | 29th October, 2020                                      |
| 2011 – 2012    | 2,42,514 | 28th October, 2019                                      |
| 2010 - 2011    | 2,32,562 | 29th October, 2018                                      |

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 Friday, 21<sup>st</sup> September, 2018, 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 CDSL/ 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 Wednesday, 26th September, 2018 and will end at 5.00 p.m. on Friday, 28th September, 2018. The Company has appointed Smt. Rashida Adenwala (Membership No. FCS 4020), Practicing 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 Wednesday, 26th September, 2018 and will end at 5.00 p.m. on Friday, 28th September, 2018. 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. 21st September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

|  | For Members holding shares in Demat Form and Physical Form  |
|--|---|
| PAN  | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul> |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>  |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
1. The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report shall also be placed on the website of the Company.
  2. 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. 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.
8. 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.
9. 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.
10. 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), 2015 is annexed thereto.
11. The Companies Equity shares are listed at BSE Limited and National Stock Exchange and the listing fee for the FY 2018-19 has paid.
12. 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 # 3:**

The Board, at its meeting held on 7th March, 2018, appointed Smt. Mamatha Madhavi Venkateshwara Reddy as an Additional Director of the Company with effect from 7th March, 2018, pursuant to Section 161 of the Companies Act, 2013.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Smt. Mamatha Madhavi Venkateshwara Reddy will hold office upto the date of ensuing Annual General Meeting. The Company has received the notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Smt. Mamatha Madhavi Venkateshwara Reddy for the office of director.

The Company has received from Smt. Mamatha Madhavi Venkateshwara Reddy (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors)



Rules 2014, and (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The resolution seeks the approval of the Members for the appointment of Smt. Mamatha Madhavi Venkateshwara Reddyas Independent Director on the Board of the Company to hold office for a term upto five consecutive years commencing from 29th September, 2018, not liable to retire by rotation in terms of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. A brief profile of Smt. Mamatha Madhavi Venkateshwara Reddy, including nature of her expertise, as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015 and revised SS-2 on General Meetings issued by Institute of Company Secretaries of India (ICSI) is provided in this Annual Report.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.3 of the Notice.

The Board recommends the resolution set forth in Item no.3 for the approval of the members.

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

**Place : Hyderabad  
Date : 13<sup>th</sup> August, 2018**

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

## **ADDITIONAL INFORMATION**

**(As per Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and revised SS-2 on General Meetings issued by ICSI )**

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

**1.**

| <b>Particulars</b>  | <b>Details of Directors seeking appointment/re-appointment</b>   |
|---|--|
| Name  | Shri. Y. Varun Reddy   |
| DIN   | 01905757   |
| Age   | 33 Years   |
| Qualification   | B.A (Eco), B.A (Corporate Communication)   |
| Experience  | Marketing and Corporate Communication  |
| Terms and conditions of appointment   | NIL  |
| Details of remuneration   | 36,00,000  |
| Last drawn remuneration   | 36,00,000  |
| Date of first appointment on the board  | 29th July, 2006  |
| Directorships   | Listed Companies: 2<br>Unlisted Public Companies:8<br>Private Companies : 2  |
| Membership's/Chairmanship of committees of other Board                                      | NIL  |
| Relationship with other directors, manager or other key managerial personnel of the Company | Son of Shri. Y. Rajeev Reddy, Chairman and Managing Director and Brother of Shri. Y. Siddharth Reddy, Vice Chairman, JMD and CEO |
| Number of Meetings attended during the year   | 8  |
| Shareholding in the Company   | 2081000 Equity Shares of Rs 2/- each consisting of 1.27%   |

**2.**

| <b>Particulars</b>   | <b>Details of Directors seeking appointment/re-appointment</b>  |
|--|---|
| Name   | Smt. Mamatha Madhavi Venkateshwara Reddy  |
| DIN  | 08075749  |
| Age  | 42 Years  |
| Qualification  | Graduate  |
| Expertise  | Vast Experience in Management and Administration  |
| Other Directorships  | Nil   |
| Shareholding in the Company  | Nil   |
| Membership's/Chairmanship of committees of other Board                 | Nil   |
| Relationship with other Directors, Manager or Key Managerial Personnel | Not applicable  |
| Terms and conditions of appointment                                    | As per the resolution   |
| Justification for appointing appointee as Independent Director         | Smt. Mamatha Madhavi Venkateshwara Reddy has vide Experience, and knowledge of Management, Leadership and Business traits |

## **Directors' Report**

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

The Directors are pleased in presenting the 27th Annual Report of the Company together with Audited Financial Statements for the year ended 31st March, 2018.

### **Financial Results**

(Rupees in Lakhs)

| Particulars  | Consolidated (Mar' 18) |               | Standalone (Mar' 18) |               |
|--|------------------------|---------------|----------------------|---------------|
|  | Current Year           | Previous Year | Current Year         | Previous Year |
| Total Income   | 33241.58               | 45696.52      | 23679.97             | 26038.83      |
| Operating profit before interest, depreciation and tax | 10181.26               | 10181.26      | 4781.27              | 4781.27       |
| Interest and financial charges                         | 4414.00                | 4311.18       | 3383.57              | 3557.89       |
| Depreciation   | 4798.59                | 4540.68       | 1795.15              | 1924.30       |
| Profit before taxation                                 | (4064.76)              | 1329.40       | (1003.41)            | (700.92)      |
| Tax  | 760.39                 | 841.12        | 721.20               | 790.13        |
| Profit after taxation                                  | (4825.15)              | 488.28        | (1724.61)            | (1491.05)     |
| 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                       | Nil                    | 488.28        | Nil                  | Nil           |

### **Statement of Affairs and Operations:**

During the year under review, the Consolidated turnover of the Company was Rs.332.41 Crores as compared to Rs.456.96 Crores for the previous year. The Company is constantly striving to improve its membership, and hopes to achieve better results in the forthcoming year.

### **Transfer to Reserves:**

The Company has not transferred any amount to the general reserve for the Financial Year ended 31st March, 2018.

### **Outlook: To be as per MDAR**

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.

### **Number of meetings of the board:**

8 Board Meetings & 4 Audit Committee Meetings were held during the Financial Year 2017-18.

The Meetings of the other committees of the Board were held during the year 2017-18:

- 1 Nomination and Remuneration Committee meeting
- 1 Stake Holders relationship Committee

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, 2018.

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/s134 of the Companies Act, 2013:

|     |  |  |
|-----|--|--|
| (a) | <b>Conservation of energy:</b><br>(i) Steps taken on Conservation of energy:<br><br>(ii) Steps taken for utilizing alternate sources of energy:<br>(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) | <b>Technology absorption:</b><br>(i) The efforts made towards technology:<br><br>(ii) The benefits derived like products:<br>(iii) In case of imported technology imported during the last three years:<br>(iv) Research and development (R&D) | No technology – indigenous or foreign – is involved.<br><br>No technology has been imported during the last three years.<br>No research and development was carried out. |
| (c) | Foreign Currency Earnings/Inflow<br>Foreign Currency Expenditure / Outflow   | NIL<br>NIL   |

## 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 is annexed hereto and forms part of this report.

The weblink for accessing extract of annual return is [www.countryclubindia.net](http://www.countryclubindia.net)

## 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 FY 17-18 | Remuneration FY 16-17 | % of remuneration in 2018 as compared to 2017 | Ration of remuneration to MRE |
|---|------------------------------|-----------------------|-----------------------|---|-------------------------------|
| Y. Rajeev Reddy                                       | Chairman & Managing Director | 1,68,00,000           | 84,00,000             | +100%   | 127 times                     |
| Y. Siddharth Reddy                                    | Vice-Chairman, JMD & CEO     | 36,00,000             | 30,00,000             | +20%  | 27 times                      |
| Y. Varun Reddy  | Vice-Chairman, JMD & COO     | 36,00,000             | 30,00,000             | +20%  | 27 times                      |
| <b>Key Managerial Personnel other than Directors:</b> |                              |                       |                       |   |                               |
| Kudligi Phaneendra Rao                                | Chief Financial Officer      | 26,06,100             | 24,00,000             | +8.59%  | 19.7times                     |
| Sreelatha V   | Company Secretary            | 3,00,000              | 3,00,000              | Nil   | 2.27times                     |

1. The Median Remuneration of the employees of the Company during the financial year was Rs. 1,32,000/-
2. In the financial year, there was an increase of 5-10% in the median remuneration employees.
3. There are 3916 permanent Employees on the Rolls of the Company as on 31st March, 2018.
4. 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.
5. 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
6. 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 of Rs.1,02,00,000 or more per annum or Rs.8,50,000/- or more per month are given below:**

Information as per Rule 5(1) 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 Rs.1,02,00,000 or more per annum or Rs.8,50,000 or more per month.

## Directors :

Appointment and Cessation of the Directors from the Board is as follows:

1. Smt. Mamatha Madhavi Venkateshwara Reddy got appointed as Additional Director and Shri. Indukuri Subbaraju vacated the Board as director w.e.f 07th March, 2018
2. Smt. Y. Manjula Reddy, and Shri Venkateswara Dontireddy vacated from the Board of Directors w.e.f 8th March, 2018.
3. Shri. D. Krishna Kumar Raju, vacated from the Board as Director w.e.f 13th August, 2018 after the closure of financial year.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri. Y. Varun Reddy, Director of the Company who retire by rotation at the 27th Annual General Meeting and being eligible, offers himself for re-appointment.

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 appointment by the Members at the ensuing 27th 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, 2018, 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, 2018, 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, 2018, 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;

**Maintenance of cost records:**

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company and hence, such accounts and records are not required to be maintained.

**Sexual Harassment of Women at Workplace:**

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

**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. There are no materially significant related party transactions made by the Company during the Financial Year 2017-18 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 C N & Associates (Formerly known as M/s Chandra Babu Naidu & Co.,) Chartered Accountants, were appointed as Statutory Auditors of the Company in 26th Annual General Meeting for Five Consecutive years and shall hold the office until the conclusion of the 30th Annual General Meeting as per section 139 of Companies Act, 2013.

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. The Auditors have not reported any frauds to the Audit Committee and/or to the Central Government as prescribed under Section 143 (12) of the Companies Act, 2013.

## Types of Committees:

The Company has 4 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. Shri Y. Subba Rao, Chairman         | Independent Directors  |
| 2. Shri D. V. Ratna Kishore, Member    |                        |
| 3. Smt. Mamatha Madhavi V Reddy*       |                        |
| 3. Shri D. Krishna Kumar Raju, Member* | Non-Executive Director |

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

\*During the year Smt. Mamatha Madhavi V Reddy was appointed as Member of Audit Committee w.e.f 7th March' 2018 and Shri D. Krishna Kumar Raju, Member has resigned from the Committee w.e.f 7th March' 2018.

### b) **Nomination & Remuneration Committee**

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

| Name of the Member                       | Category              |
|--|-----------------------|
| 1. Shri K. Satyanarayana Raju , Chairman | Independent Directors |
| 2. Shri Y. Subba Rao, Member             |                       |
| 3. Shri 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          |                       |
| 4. Smt. Mamatha Madhavi V Reddy*             |                       |

\*Smt. Mamatha Madhavi V Reddy was appointed as Member of the Committee w.e.f 7th March' 2018 and Shri Indukuri Venkata Subba Raju, Member has resigned from the Committee w.e.f 7th March' 2018.

### d) **Corporate Social Responsibility Committee**

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

| Name of the Member                               | Category              |
|--|-----------------------|
| 1. Shri Venkateswara Dontireddy Reddy, Chairman* | Independent Directors |
| 2. Shri Indukuri Venkata Subba Raju, Member*     |                       |
| 3. Smt. Mamatha Madhavi V Reddy, Chairman*       |                       |
| 4. Shri D. V. Ratna Kishore, Member*             |                       |
| 5. Shri Y. Siddharth Reddy, Member               |                       |

\*(1) Shri D. V. Ratna Kishore was appointed as Member of the Committee w.e.f 7th March' 2018 and Smt. Mamatha Madhavi V Reddy was appointed as Chairman of the Committee on 7th March, 2018.

(2) Shri Indukuri Venkata Subba Raju, Member has resigned from the Committee w.e.f 7th March' 2018 and ShriVenkateswaraDontireddy Reddy, Chairman has resigned from the Committee w.e.f 14th March' 2018.

#### **Statement pursuant to the Listing Agreement:**

The Company's equity shares are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and the Company has paid the annual listing fees up to Financial Year 2017-18.

#### **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 Auditors to conduct Secretarial Audit of the Company for the Financial year ended 31st March, 2018 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.

The report on secretarial audit does not contain any qualification or adverse remark.

#### **Vigil Mechanism/Whistle Blower Policy:**

The Board of Directors of the Company have 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, 2018 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 structured 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, 2018 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, 2018:

**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 Section 129 of the Companies Act 2013. Accordingly Balance sheet, Profit and Loss Statement 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 from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

**Particulars of Loans, Guarantees and Investments:**

There were no fresh loans, Guarantees and investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

**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 : 13<sup>th</sup> August, 2018**

**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 2018 [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 Company<br>on Government Company  |
| v) Address  | Amrutha Castle, 5-9-16, Saifabad, OppSecretariat,<br>Hyderabad – 500 063, Telangana, India                       |
| vi) Whether listed company Yes / No   | Yes  |
| vii) Name, Address and Contact details of<br>Registrar and Transfer Agent, if any | Aarthi Consultants Private Limited<br>1-2-285, Domalguda, Hyderabad,Telangana- 500 029<br>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 and 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:

| Sl. No. | NAME AND ADDRESS OF THE COMPANY  | CIN                    | HOLDING/ SUBSIDIARY/ ASSOCIATE | % of shares held | Applicable Section |
|---------|--|------------------------|--------------------------------|------------------|--------------------|
| 1.      | Aquarian Realtors Private Limited                                      | U70101GA1995P TC001789 | Subsidiary                     | 100              | 2(87)              |
| 2 .     | Bright Resorts Private Limited   | U55102KL1992P TC006863 | Subsidiary                     | 100              | 2(87)              |
| 3       | Bush Betta Holiday Ownership Wildlife Adventure Resort Private Limited | U24222TG1996P TC119197 | Subsidiary                     | 100              | 2(87)              |
| 4.      | Chanakyapuri Resorts Private Limited                                   | U55103WB2000P TC092219 | Subsidiary                     | 100              | 2(87)              |
| 5.      | Club Arzee Limited   | U50101GJ1996P LC029970 | Subsidiary                     | 100              | 2(87)              |
| 6.      | Country Vacations International Limited                                | U85110TG2005P LC047136 | Subsidiary                     | 100              | 2(87)              |
| 7.      | International Country Holidays Private Limited                         | U55101MH1984P TC032585 | Subsidiary                     | 100              | 2(87)              |
| 8..     | Jade Resorts Private Limited   | U55101TG1996P TC112870 | Step Down Subsidiary           | 100              | 2(87)              |

|    |   |                        |                      |     |       |
|----|---|------------------------|----------------------|-----|-------|
| 9. | J J Arts And Entertainments Private Limited                   | U92199TG2001P TC110570 | Subsidiary           | 100 | 2(87) |
| 10 | Kolet Resort Club Private Limited                             | U67120GJ1995P TC026712 | Step Down Subsidiary | 100 | 2(87) |
| 11 | Maruti Waterpark And Entertainments Private Limited           | U92199TG2003P TC119196 | Subsidiary           | 100 | 2(87) |
| 12 | Swami Vivekanad Training And Education Centre Private Limited | U55101MH1997P TC112380 | Subsidiary           | 100 | 2(87) |
| 13 | Swimwel Investment And Trading Private Limited                | U55101MH1981P TC025856 | 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 |
|---|---|----------|------------------|-------------------|---|----------|------------------|-------------------|--------------------------|
| S.No.   | 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....  |   |          |                  |                   |   |          |                  |                   |                          |
| <b>Sub-total (A) (1):-</b>                                | <b>120637386</b>                                | <b>0</b> | <b>120637386</b> | <b>73.8</b>       | <b>120637386</b>                          | <b>0</b> | <b>120637386</b> | <b>73.8</b>       | <b>0</b>                 |
| (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                 |                          |
| <b>Sub-total (A) (2):-</b>                                |   |          |                  |                   |   |          |                  |                   |                          |
| <b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b> | <b>120637386</b>                                | <b>0</b> | <b>120637386</b> | <b>73.8</b>       | <b>120637386</b>                          | <b>0</b> | <b>120637386</b> | <b>73.8</b>       | <b>0</b>                 |

|  |                  |                |                  |              |                  |                |                  |              |              |
|--|------------------|----------------|------------------|--------------|------------------|----------------|------------------|--------------|--------------|
| <b>B. Public Shareholding</b>  |                  |                |                  |              |                  |                |                  |              |              |
| 1. Institutions  |                  |                |                  |              |                  |                |                  |              |              |
| a) Mutual Funds  | 0                | 0              | 0                | 0.00         | 0                | 0              | 0                | 0.00         |              |
| b) Banks / FI  | 720283           | 0              | 720283           | 0.44         | 42118            | 0              | 42118            | 0.03         | -0.41        |
| 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) FIIs  | 797083           | 0              | 797083           | 0.49         | 797083           | 0              | 797083           | 0.49         | 0.00         |
| h) Foreign Venture Capital Funds   | 0                | 0              | 0                | 0.00         | 0                | 0              | 0                | 0.00         |              |
| i) Others (specify)  | 0                | 0              | 0                | 0.00         | 913580           | 0              | 913580           | 0.55         |              |
| <b>Sub-total (B)(1):-</b>  | <b>1517366</b>   | <b>0</b>       | <b>1517366</b>   | <b>0.93</b>  | <b>839201</b>    | <b>0</b>       | <b>839201</b>    | <b>0.51</b>  | <b>-0.42</b> |
| <b>2. Non-Institutions</b>   |                  |                |                  |              |                  |                |                  |              |              |
| a) Bodies Corp.  | 3273841          | 37500          | 3311341          | 2.03         | 3004866          | 24000          | 3028866          | 1.85         | -0.18        |
| b) Individuals   |                  |                |                  |              |                  |                |                  |              |              |
| i) Individual shareholders holding nominal share capital upto Rs. 2 lakh | 24619491         | 2334583        | 26954074         | 16.49        | 28098693         | 1456543        | 29555236         | 16.49        | 0.00         |
| ii) Individual shareholders holding share capital in excess of Rs 2 lakh | 9153154          | 0              | 9153154          | 5.6          | 6257063          | 0              | 6257063          | 3.83         | -1.77        |
| c) Others  |                  |                |                  |              |                  |                |                  |              |              |
| i) NRI's   | 725648           | 156500         | 882148           | 0.54         | 940449           | 106000         | 1046449          | 0.64         | +0.10        |
| ii) Clearing Members   | 1250414          | 0              | 1250414          | 0.76         | 1186954          | 0              | 1186954          | 0.73         | -0.03        |
| iii) Trusts  | 50000            | 0              | 50000            | 0.03         | 0                | 0              | 0                | 0.00         | -0.03        |
| <b>Sub-total (B)(2):-</b>  | <b>39072548</b>  | <b>2528583</b> | <b>41601131</b>  | <b>25.45</b> | <b>39072548</b>  | <b>2528583</b> | <b>41601131</b>  | <b>25.45</b> | <b>0.00</b>  |
| Total Public Shareholding (B)=(B)(1)+ (B)(2)                             | 40298766         | 2528583        | 42827349         | 26.20        | 40298766         | 2528583        | 42827349         | 26.20        | 0.00         |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                   | 0                | 0              | 0                | 0.00         | 0                | 0              | 0                | 0.00         | 0.00         |
| <b>Grand Total (A+B+C)</b>   | <b>160936152</b> | <b>2528583</b> | <b>163464735</b> | <b>100</b>   | <b>160936152</b> | <b>2528583</b> | <b>163464735</b> | <b>100</b>   | <b>0.00</b>  |

## B) Shareholding of Promoters:

| S.No. | Shareholder's Name | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in share holding during the year |
|-------|--------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
|       |                    | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |   |
| 1     | 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                             | 0.00   | 0.00                                      |
| 3     | Y. Siddharth Reddy | 3526750                                   | 2.16                             | 0.00   | 3526750                             | 2.16                             | 0.00   | 0.00                                      |
| 4     | Y. Varun Reddy     | 2081000                                   | 1.27                             | 0.00   | 2081000                             | 1.27                             | 0.00   | 0.00                                      |
| 5     | Y. Nikhila Reddy   | 2037125                                   | 1.25                             | 0.00   | 2037125                             | 1.25                             | 0.00   | 0.00                                      |
|       | <b>Total</b>       | <b>120637386</b>                          | <b>73.80</b>                     | <b>0.00</b>                                      | <b>120637386</b>                    | <b>73.80</b>                     | <b>0.00</b>                                      | <b>0.00</b>                               |

## C. Change in Promoters' Shareholding:

| S.No.                           | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during 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):**

| SHAREHOLDING AT THE BEGINNING OF THE YEAR |   |               |                                  | SHAREHOLDING AT THE END OF THE YEAR |  |               |                                  |
|---|---|---------------|----------------------------------|-------------------------------------|--|---------------|----------------------------------|
| S. No.                                    |   | No. of shares | % of total shares of the company | S. No.                              |  | No. of shares | % of total shares of the company |
| 1.  | Goldman Sachs Investments (mauritius) I Limited | 797083        | 0.49                             | 1.                                  | Investor Education And Protection Fund Authority Ministry Of Corporate Affairs | 898607        | 0.55                             |
| 2.  | Venkata Vara Prasad Pasumarthy                  | 788260        | 0.48                             | 2.                                  | Goldman Sachs Investments (mauritius) I Limited                                | 797083        | 0.49                             |
| 3.  | Canara Bank-New Delhi                           | 640033        | 0.39                             | 3.                                  | Manish Kumar Arora   | 534900        | 0.33                             |
| 4.  | Rishi Gupta                                     | 591865        | 0.36                             | 4.                                  | Gurpreet Singh Heer  | 430000        | 0.26                             |
| 5.  | Manish Kumar Arora                              | 534900        | 0.33                             | 5.                                  | Rishi Gupta  | 382121        | 0.23                             |
| 6.  | Sarojini Krishna Tandon                         | 412000        | 0.25                             | 6.                                  | Dinesh Naresh Agarwal  | 310750        | 0.19                             |
| 7.  | Sri Parasram Holdings Pvt.ltd.                  | 320888        | 0.2                              | 7.                                  | Rishi Gupta  | 310066        | 0.19                             |
| 8.  | Dinesh Naresh Agarwal                           | 310750        | 0.19                             | 8.                                  | Shyamsunder Gupta  | 309339        | 0.19                             |
| 9.  | Shyamsunder Gupta                               | 309339        | 0.19                             | 9.                                  | U C C Care Private Limited   | 291611        | 0.18                             |
| 10.                                       | Moneyplex Securities Private Limited            | 300065        | 0.18                             | 10.                                 | Prakash Bhailal Mehta  | 265000        | 0.16                             |

**E. Shareholding of Directors and Key Managerial Personnel:**

| S.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 | 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                             | 0                                   | 0                                |
| 5     | Shri D. Venkata Ratna Kishore            | 0   | 0.00                             | 0                                   | 0.00                             |
| 6     | Shri K. Satyanarayana Raju               | 0   | 0.00                             | 0                                   | 0.00                             |
| 7     | Shri Y. Subba Rao                        | 0   | 0.00                             | 0                                   | 0.00                             |
| 8     | Smt. Mamatha Madhavi Venkateshwara Reddy | 0   | 0.00                             | 0                                   | 0.00                             |
| 9     | Smt V. Sreelatha ( Company Secretary)    | 0   | 0.00                             | 0                                   | 0.00                             |
| 10    | 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:

| Shareholder's Name                                  | Secured Loans<br>excluding deposits | Unsecured<br>Loans  | Deposits         | Total<br>Indebtedness |
|---|-------------------------------------|---------------------|------------------|-----------------------|
| Indebtedness at the beginning of the financial year |                                     |                     |                  |                       |
| i) Principal Amount                                 | 277,96,45,562                       | 42,84,24,411        | 79,81,742        | 322,55,71,078         |
| ii) Interest due but not paid                       | 1,12,56,401                         |                     |                  | 1,12,56,401           |
| iii) Interest accrued but not due                   | 2,05,96,962                         |                     |                  | 2,05,96,962           |
| <b>Total (i+ii+iii)</b>                             | <b>281,14,98,925</b>                | <b>42,84,24,411</b> | <b>79,81,742</b> | <b>324,79,05,078</b>  |
| Change in Indebtedness during the financial year    |                                     |                     |                  |                       |
| • Addition  |                                     |                     |                  |                       |
| • Reduction   | 7,68,81,963                         | 89,12,348           | 5,00,000         | 8,62,94,311           |
| <b>Net Change</b>                                   | <b>7,68,81,963</b>                  | <b>89,12,348</b>    | <b>5,00,000</b>  | <b>8,62,94,311</b>    |
| Indebtedness at the end of the financial year       |                                     |                     |                  |                       |
| i) Principal Amount                                 | 265,31,93,954                       | 43,73,36,759        | 74,81,742        | 309,80,12,455         |
| ii) Interest due but not paid                       | 5,66,60,374                         |                     |                  | 5,66,60,374           |
| iii) Interest accrued but not due                   | 2,47,62,634                         |                     |                  | 2,47,62,634           |
| <b>Total (i+ii+iii)</b>                             | <b>273,46,16,962</b>                | <b>43,73,36,759</b> | <b>74,81,742</b> | <b>317,94,35,463</b>  |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

| S.<br>No. | Particulars of Remuneration  | Name of MD/WTD/Manager           |                            |                        | Total Amount |
|-----------|--|----------------------------------|----------------------------|------------------------|--------------|
|           |  | Shri Y. Rajeev<br>Reddy          | Shri Y. Siddharth<br>Reddy | Shri Y. Varun<br>Reddy |              |
| 1.        | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 1,20,00,000                      | 36,00,000                  | 36,00,000              | 1,92,00,000  |
| 2.        | Stock Option   | -                                | -                          | -                      | -            |
| 3.        | Sweat Equity   | -                                | -                          | -                      | -            |
| 4.        | Commission<br>- as % of profit<br>- others, specify...   | -                                | -                          | -                      | -            |
| 5.        | Others, please specify   | 48,00,000 (Brand Ambassador fee) |                            |                        | 48,00,000    |
|           | Total (A)  | 1,68,00,000                      | 36,00,000                  | 36,00,000              | 2,40,00,000  |
|           | Ceiling as per the Act   |                                  |                            |                        |              |



**B. Remuneration to other directors:**

| S. No. | Particulars of Remuneration                   | Name of MD/WTD/Manager |  |                               |                            |                                    |                          |                   |                            | Total Amount |
|--------|---|------------------------|--|-------------------------------|----------------------------|------------------------------------|--------------------------|-------------------|----------------------------|--------------|
|        |   | Smt. Y. Manjula Reddy  | Smt. Mamatha madhavi venkateshwara reddy | Shri.D. Venkata Ratna Kishore | Shri K. Satyanarayana Raju | Shri Venkateswara Dontireddy Reddy | Shri Indukuri Subba Raju | Shri Y. Subba Rao | Shri D. Krishna Kumar Raju |              |
| 1.     | Independent Directors                         |                        |  |                               |                            |                                    |                          |                   |                            |              |
|        | •Fee for attending board / committee meetings | 0                      | 0  | 0                             | 0                          | 0                                  | 0                        | 0                 | 0                          | 0            |
|        | •Commission                                   | 0                      | 0  | 0                             | 0                          | 0                                  | 0                        | 0                 | 0                          | 0            |
|        | •Others, please specify                       | 0                      | 0  | 0                             | 0                          | 0                                  | 0                        | 0                 | 0                          | 0            |
|        | Total (1)                                     | 0                      | 0  | 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                 | 0                          | 0            |
|        | •Commission                                   | 0                      | 0  | 0                             | 0                          | 0                                  | 0                        | 0                 | 0                          | 0            |
|        | •Others, please specify                       | 0                      | 0  | 0                             | 0                          | 0                                  | 0                        | 0                 | 0                          | 0            |
|        | Total (2)                                     | 0                      | 0  | 0                             | 0                          | 0                                  | 0                        | 0                 | 0                          | 0            |
|        | Total (B)=(1+2)                               | 0                      | 0  | 0                             | 0                          | 0                                  | 0                        | 0                 | 0                          | 0            |
|        | Total Managerial Remuneration                 | 0                      | 0  | 0                             | 0                          | 0                                  | 0                        | 0                 | 0                          | 0            |
|        | Overall Ceiling as per the Act                |                        |  |                               |                            |                                    |                          |                   |                            |              |

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

| S. No. | Particulars of Remuneration   | Key Managerial Personnel |           |           |
|--------|---|--------------------------|-----------|-----------|
|        |   | Company Secretary        | CFO       | Total     |
| 1.     | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2)Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 3,00,000                 | 26,06,100 | 29,06,100 |
| 2.     | Stock Option  | 0                        | 0         | 0         |
| 3.     | Sweat Equity  | 0                        | 0         | 0         |
| 4.     | Commission<br>- as % of profit<br>- others, specify...  | 0                        | 0         | 0         |
| 5.     | Others, please specify  | 0                        | 0         | 0         |
|        | Total (A)   | 3,00,000                 | 26,06,100 | 29,06,100 |

**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) |
|------------------------------------|------------------------------|-------------------|--|----------------------------|------------------------------------|
| <b>A.COMPANY</b>                   |                              |                   |  |                            |                                    |
| Penalty                            | Nil                          | Nil               | Nil  | Nil                        | Nil                                |
| Punishment                         | Nil                          | Nil               | Nil  | Nil                        | Nil                                |
| Compounding                        | Nil                          | Nil               | Nil  | Nil                        | Nil                                |
| <b>B.DIRECTORS</b>                 |                              |                   |  |                            |                                    |
| Penalty                            | Nil                          | Nil               | Nil  | Nil                        | Nil                                |
| Punishment                         | Nil                          | Nil               | Nil  | Nil                        | Nil                                |
| Compounding                        | Nil                          | Nil               | Nil  | Nil                        | Nil                                |
| <b>C.OTHER OFFICERS IN DEFAULT</b> |                              |                   |  |                            |                                    |
| Penalty                            | Nil                          | Nil               | Nil  | Nil                        | Nil                                |
| Punishment                         | Nil                          | Nil               | Nil  | Nil                        | Nil                                |
| Compounding                        | Nil                          | Nil               | Nil  | Nil                        | Nil                                |

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

[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 31st March, 2018 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 31st March 2018 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 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).

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 Listing Agreement entered into by the Company with the Stock Exchanges.

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 for the financial year 2016-17.
2. The Company has submitted the financial results to BSE limited (BSE) and National Stock

Exchange of India Ltd (NSE) for the quarter and financial year ended 31st March, 2017 with a delay of two hours.

3. The Company has filed Investor Grievance Report with BSE Limited and National Stock Exchange of India Limited for the Quarter ended 30th September, 2017 with a delay of 4 days.
4. The Company has filed compliance certificate on transfer of equity shares with National Stock Exchange of India Limited for the half year ended 31st March, 2017 with delay.

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.

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 reasonable 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.

**We further report that** during the audit period, there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, regulations, guidelines, standards, etc. referred to above.

**For and on behalf of  
R & A Associates,  
Company Secretaries,**

**CS R. Ramakrishna Gupta**

**Senior Partner**

FCS No.: 5523

C P No.: 6696

Office No. T 202, Technopolis,  
1-10-74/B, Above Ratnadeep Super Market,  
Chikoti Gardens, Begumpet, Hyderabad - 500 016.

Date: 13th August, 2018

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:

Note:

Reporting period for all the subsidiary concerned, is same as the holding company's reporting period i.e.01<sup>st</sup> April'2017 to 31<sup>st</sup> March'2018:

| Name of the<br>Subsidiary Company                                | Issued<br>and<br>Subscribed<br>Share<br>Capital | Reserves    | Total<br>Assets | Total<br>Liabilities | Investments | Turnover/<br>Total<br>Income | Profit<br>before<br>taxation/<br>(Loss) | Provision<br>for<br>taxation | Profit<br>after<br>taxation/<br>loss | Proposed<br>dividend | % of<br>share-<br>holding |
|--|---|-------------|-----------------|----------------------|-------------|------------------------------|---|------------------------------|--------------------------------------|----------------------|---------------------------|
| Aquarian Realtors Pvt. Ltd.                                      | 1,00,000  | 94026230    | 514126590       | 514126590            | Nil         | 59673088                     | (602238)                                | 2669969                      | (3272207)                            | Nil                  | 100%                      |
| International Country Holidays Pvt. Ltd.                         | 10,00,000                                       | (4376564)   | 37582566        | 37582566             | Nil         | 300000                       | (547965)                                | -                            | (547965)                             | Nil                  | 100%                      |
| Bush Betta Holiday Ownership Wildlife Adventure Resort Pvt. Ltd. | 1,05,00,200                                     | (43584962)  | 538708          | 538708               | Nil         | -                            | (11800)                                 | -                            | (11800)                              | Nil                  | 100%                      |
| J.J. Arts and Entertainments Pvt. Ltd.                           | 15,00,000                                       | (19367167)  | 32742630        | 32742630             | Nil         | 2922054                      | (430486)                                | 110609                       | (541095)                             | Nil                  | 100%                      |
| Chanakyapuri Resorts Pvt. Ltd.                                   | 70,00,000                                       | (36958238)  | 26129001        | 26129001             | Nil         | 4381182                      | (3026611)                               | -                            | -                                    | Nil                  | 100%                      |
| Bright Resorts Pvt. Ltd.   | 3,18,45,000                                     | (86230372)  | 34520617        | 34520617             | Nil         | 18569215                     | (2426735)                               | -                            | (2426735)                            | Nil                  | 100%                      |
| Maruti Waterpark & Entertainments Pvt. Ltd.                      | 23,24,000                                       | 582502      | 3048474         | 3048474              | Nil         | -                            | (23600)                                 | -                            | (23600)                              | Nil                  | 100%                      |
| Country Vacations International Ltd. - India                     | 5,00,000  | 135298      | 4070114         | 4070114              | Nil         | -                            | (11800)                                 | -                            | (11800)                              | Nil                  | 100%                      |
| Swimwel Investment & Trading Pvt. Ltd.                           | 1,00,000  | (95791583)  | 5594108         | 5594108              | Nil         | 17827747                     | (5977073)                               | -                            | (5977073)                            | Nil                  | 100%                      |
| Swami Vivekanand Training & Education Centre Pvt. Ltd.           | 49,90,800                                       | (105142147) | 73209681        | 73209681             | Nil         | 15000                        | (2136245)                               | 1065762                      | (3202007)                            | Nil                  | 100%                      |
| Club Arzee Ltd.  | 5,72,66,000                                     | 4331694     | 82710687        | 82710687             | Nil         | 19336923                     | (2040105)                               | 71850                        | (2111955)                            | Nil                  | 100%                      |
| Country Club Babylon Resorts Pvt. Ltd. Srilanka '@               | 2,57,92,235                                     | 17690362    | 322260092       | 322260092            | Nil         | 409080                       | (2656653)                               | -                            | (2656653)                            | Nil                  | 100%                      |
| Country Vacations International Ltd. - Dubai '#                  | 199,61,74,211                                   | 4327274072  | 8009773236      | 8009773236           | Nil         | 833925930                    | (287241779)                             | -                            | (287241779)                          | Nil                  | 100%                      |

'@ Conversion rate of Srilanka Re.1/- (LKR) equal to Indian Rs.0.41922 on 31-03-2018.

# Conversion rate of Dubai AED.1/- (Dhiram) equal to Indian Rs.17.64895 on 31-03-2018.

## Management Discussion and Analysis

Tourism is a major engine of economic growth and an important source of employment & foreign exchange earnings in many countries including India. It has great capacity to create large scale employment of diverse kind – from the most specialized to the unskilled and hence can play a major role in creation of additional employment opportunities. It can also play an important role in achieving growth with equity and sustainability .

Managing and selling services to individuals without negotiating on quality is a challenging issue. Bearing in mind the challenging issue of technology and globalization, it has become imperative for the Hospitality Industry to handle operations, marketing and human resources in an effective way. Hospitality Industry is accountable for employing individuals worldwide through Tourism. Tourism is one of the key segments that provide revenue to a state.

Established in 1989, the Country Club Hospitality and Holidays Limited is a pioneer in the concept of offering 360° leisure hospitality membership services in India. A full range of Country Club speciality 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 25 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.

### Industry Structure and Developments:

Total contribution by travel and tourism sector to India's GDP is expected to increase from Rs 15.24 trillion (US\$ 234.03 billion) in 2017 to Rs 32.05 trillion (US\$ 492.21 billion) in 2028. India ranked 7<sup>th</sup> among 184 countries in terms of travel & tourism's total contribution to GDP in 2017. Travel and tourism is the third largest foreign exchange earner (FEE) for India. Between January-May 2018 FEEs from tourism increased 14.3 per cent year-on-year to US\$ 12.51 billion.

The Government of India has set a target of 20 million foreign tourist arrivals (FTAs) by 2020 and double the foreign exchange earnings as well.

### Foreign Tourist Arrivals (FTAs) in India:



- FTAs in July 2018 were 806255 as compared to 779309 in July 2017 registering a growth of 3.5%.
- FTAs during the period January-July 2018 were 5969598 as compared to 5564156 in January-July 2017 registering a growth of 7.3%.
- The sector's total contribution to GDP stood at US\$ 208.9 billion (9.6 per cent of GDP) in 2016 and is forecast to rise by 6.7 per cent in 2017, and to rise by 6.7 per cent pa to Rs 28,491.8 billion (US\$ 424.5 billion), 10 per cent of GDP in 2027.
- In February 2018, the country earned foreign exchange of around US\$ 2.706 billion, from the tourism sector.

### **Investments:**

The tourism and hospitality sector is among the top 10 sectors in India to attract the highest Foreign Direct Investment (FDI). During the period April 2000-December 2017, the hotel and tourism sector attracted around US\$ 10.90 billion of FDI, according to the data released by Department of Industrial Policy and Promotion (DIPP).

### **Government Initiatives**

The Government has also been making serious efforts to boost investments in tourism sector. In the hotel and tourism sector, 100 per cent FDI is allowed through the automatic route. A five-year tax holiday has been offered for 2, 3 and 4 star category hotels located around UNESCO World Heritage sites (except Delhi and Mumbai). Total FDI received by Indian hotel & tourism sector was US\$ 11.28 billion between April 2000 and March 2018. India is a large market for travel and tourism. It offers a diverse portfolio of niche tourism products - cruises, adventure, medical, wellness, sports, MICE, eco-tourism, film, rural and religious tourism. India has been recognized as a destination for spiritual tourism for domestic and international tourists.

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 planned by the Government of India to give a boost to the tourism and hospitality sector of India are as follows:

- The Government of India is working to achieve one per cent share in world's international tourist arrivals by 2020 and two per cent share by 2025.
- Under Budget 2018-19, the government has allotted Rs 1,250 crore (US\$ 183.89 million) for Integrated development of tourist circuits under Swadesh Darshan and Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD).

### **Opportunities & Threats:**

#### **Opportunities:**

- India's travel and tourism industry has huge growth potential.
- Cultural tourism potential
- Growing income levels in developing countries
- Increasing importance of environmental concerns
- Potential demand for innovative products
- Develop rural experiences and unusual venues to attract new audiences in leisure and business markets
- Encourage more characterful serviced accommodation and a unique range of local dining facilities.

#### **Threats:**

- Changing customer demands:  
This is no surprise. Technology has made us impatient and we want things in a jiffy. Less than perfect can easily throw compares out of business.



The understanding of the customer is thus the key and more so in the Hotel industry. Understanding customers is sure to become a major challenge for the hotel industry in 2017 and beyond

- **Improper and ineffective marketing:**

The hotel industry is still Technology averse to an extent. Other industries outpace Hotel Industry in the adaptation of cutting edge technology.

Being somewhat technology averse can be one of the major hotel industry challenges in the coming years.

- **Energy management:**

A lot of Hotels are going green and smoke-free. This is a great initiative as the planet fights against global warming and other climate related issues. However, it is also a smart move to get more profits and an edge over the competition.

Establishments that refuse to take issues of sustainability seriously have been impacted negatively as the overall profit margin has suffered.

### **Segment wise and Product 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

### **Out Look**

India's travel and tourism industry has huge growth potential. The tourism industry is also looking forward to the expansion of E-visa scheme which is expected to double the tourist inflow to India. India's travel and tourism industry has the potential to expand by 2.5 per cent on the back of higher budgetary allocation and low cost healthcare facility, according to a joint study conducted by Assocham and Yes Bank.

### **Risks and concerns:**

Country Club's risk management framework consists of identification of risks, assessment of their nature, severity and potential impact, and measures to mitigate them. The Risk management framework has in place for adequate and timely reporting and monitoring. Risks are reviewed periodically and updated to reflect the business environment and change in the size and scope of the Company's operations.

- Hospitality industry constantly faces a pressure to meet the customer expectations in terms of quality of service and maintaining a balance between the inventory of resorts and growth of customers.
- Ability to consistently attract, retain and motivate managerial talent and other skilled personnel, especially in a high growth industry with unique characteristics.
- The Company is exposed to potential non-payment or delayed payment of membership instalments and/or the annual subscription fee by members resulting in higher outstanding receivables.
- The hotel industry may be adversely affected by changes in national or local economic conditions and other local market conditions.
- Changes in governmental regulations which influence or determine wages, workers' union activities, increase in land acquisition prices or construction costs, changes in interest rates, the availability of financing for operating or capital needs, and changes in real estate tax rates and other current operating expenses have an adverse effect on our business, results of operations, ability to develop new projects and the attainment of our strategic goals.

**Internal Control Systems and their adequacy:**

Adequate internal control systems exist in terms of financial reporting, efficiency of operations and compliances with various rules, regulations etc, covering all operational departments. The Internal Auditor reviews the internal control procedures and its implementation on a regular basis and submits monthly reports. Corrective action is taken for any weaknesses that may be reported by the Internal Auditor. In order to enhance the control system further, each department has to justify the variances and discrepancies. The Audit Committee of the Board oversees the adequacy of the internal control procedures, monitors the implementation of internal audit recommendations through the compliance reports submitted to them.

**Discussion on Financial Performance with respect to Operational Performance:**

During the year under review, the Consolidated turnover of the Company was Rs.332.41 Crores as compared to Rs.456.96 Crores for the previous year. The Company is constantly striving to improve its membership, and hopes to achieve better results in the forthcoming year.

**Material developments in Human Resources / Industrial Relations front, including number of people employed :**

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 Company's strategy in order to ensure that the company achieves success as well as growth. During 2017-18, significant improvements were made in the recruitment process in the form of standardised pre-employment evaluation as well as interview and assessment processes across locations based on the job profile. Towards the end, it also institutionalised internal job postings to provide employees opportunities to grow with the organisation. During the year, focus was on building capabilities and skills through targeted learning and development (L&D) interventions

## Annexure “A” to Directors’ Report – “Corporate Governance”

### 5. 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:

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

### 6. Board of Directors :

The Companies Act, 2013, and regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 govern the composition of the Board of Directors. The Board comprises a combination of Executive and Non Executive Directors. Presently it consists of Eight Directors out of which Three are Executive Directors and One Non-Executive and Four 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 8 Directors, out of which 4 are Independent Directors. Composition of the Board and category of Directors are as follows:

|                               | <b>Name of the Directors</b>      | <b>Designation</b>                             |
|-------------------------------|-----------------------------------|--|
| <b>PromoterDirectors</b>      | 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 |
|                               | Smt. Y. Manjula Reddy*            | Non – Executive Director                       |
| <b>Non-Executive Director</b> | Shri D. Krishna Kumar Raju*       | Vice-Chairman & Non-Executive Director         |
| <b>Independent Director</b>   | Shri D. Venkata Ratna Kishore     | Independent Non-Executive Directors            |
|                               | ShriVenkateswaraDontireddy Reddy* |  |
|                               | Shri K. Satyanarayana Raju        |  |
|                               | ShriIndukuriSubba Raju*           |  |
|                               | Shri Y. Subba Rao                 |  |
|                               | Smt. Mamatha Madhavi V Reddy*     |  |

\* (1) on 7<sup>th</sup> March, 2018 Smt. Mamatha Madhavi V Reddy was appointed as Additional Director and ShriIndukuri Venkata Subba Raju resigned from the Board(2) on 8<sup>th</sup> of March 2018, ShriVenkateswaraDontireddy Reddy and Smt. Y. Manjula Reddy were resigned from the Board. (3) Shri D. Krishna Kumar Raju vacated the Board w.e.f 13<sup>th</sup> August, 2018.

**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, 2018, for which the details are as follows:

| No. of Quarters         | Quarter I                   | Quarter II                    | Quarter III                     | Quarter IV                      |
|-------------------------|-----------------------------|-------------------------------|---------------------------------|---------------------------------|
| Dates of Board Meetings | 30 <sup>th</sup> May, 2017  | 11 <sup>th</sup> August, 2017 | 14 <sup>th</sup> November, 2017 | 13 <sup>th</sup> February, 2018 |
|                         |                             |                               |                                 | 7 <sup>th</sup> March, 2018     |
|                         | 27 <sup>th</sup> June, 2017 |                               | 13 <sup>th</sup> December, 2017 | 14 <sup>th</sup> March, 2018    |

The last Annual General Meeting was held on 28<sup>th</sup> September 2017.

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 Directorships <sup>1</sup> | No. of Memberships / Chairmanships of Board Committees in other Companies <sup>2</sup> | Attendance                              |                       |          |
|--|---|--|---|-----------------------|----------|
|  |   |  | Eligibility for Attending Board Meeting | No. of Board Meetings | Last AGM |
| Shri Y. Rajeev Reddy                     | 12                                      | NIL  | 8                                       | 7                     | Yes      |
| Shri Y. Siddharth Reddy                  | 12                                      | NIL  | 8                                       | 8                     | Yes      |
| Shri Y. Varun Reddy                      | 12                                      | NIL  | 8                                       | 8                     | Yes      |
| Shri D. Krishna Kumar Raju               | 16                                      | 1  | 8                                       | 8                     | Yes      |
| Smt. Mamatha Madhavi Venkateswara Reddy* | NIL                                     | NIL  | 1                                       | 1                     | No       |
| Shri D. Venkata Ratna Kishore            | NIL                                     | NIL  | 8                                       | 5                     | No       |
| Shri K. Satyanarayana Raju               | 1                                       | NIL  | 8                                       | 5                     | No       |
| Shri Y. Subba Rao                        | NIL                                     | NIL  | 8                                       | 8                     | Yes      |
| Smt. Y. Manjula Reddy *                  | 13                                      | NIL  | 7                                       | 7                     | No       |
| ShriVenkateswaraDontireddy Reddy*        | NIL                                     | NIL  | 7                                       | 6                     | No       |
| ShriIndukuriSubba Raju*                  | NIL                                     | NIL  | 6                                       | 0                     | No       |

<sup>1</sup>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.

<sup>2</sup> 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.

**c) 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) |

**d) Details of familiarization programmes imparted to independent Directors : [www.countryclubindia.net](http://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](http://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.

## 7. 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:

| S. No | Name of the Member                  | Category               |
|-------|-------------------------------------|------------------------|
| 1     | Shri Y. Subba Rao, Chairman         | Independent Directors  |
| 2     | Shri D. V. Ratna Kishore, Member    | Independent Directors  |
| 3     | Smt. Mamatha Madhavi V Reddy*       | Independent Directors  |
| 4     | Shri D. Krishna Kumar Raju, Member* | Non-Executive Director |

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

\*Smt. Mamatha Madhavi V Reddy was appointed as Member of Audit Committee w.e.f 7th March' 2018 and Shri D. Krishna Kumar Raju, Member has resigned from the Committee w.e.f 7th March' 2018.

### 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 2017; 11th August 2017; 14th November 2017 and 13th February 2018. Following are the attendance of each member in the Audit Committee Meetings:

| Name of the Director         | No. of Meetings    |          |
|------------------------------|--------------------|----------|
|                              | Eligible to Attend | Attended |
| Shri Y. Subba Rao            | 4                  | 4        |
| Shri D. V. Ratna Kishore     | 4                  | 4        |
| Shri D. Krishna Kumar Raju   | 4                  | 4        |
| Smt. Mamatha Madhavi V Reddy | 0                  | 0        |

### 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.

**8. Nomination and Remuneration Committee:**

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

| S. No | Name of the Member                    | Category              |
|-------|---------------------------------------|-----------------------|
| 1     | Shri K. Satyanarayana Raju , Chairman | Independent Directors |
| 2     | Shri Y. Subba Rao, Member             | Independent Directors |
| 3     | Shri D. V. Ratna Kishore, Member      | Independent Directors |

b) During the year, One Nomination and Remuneration Committee meetings were held on 11th August, 2017. The attendance of each member of the Committee is given below:

| Name of the Director       | No. of Meetings |          |
|----------------------------|-----------------|----------|
|                            | Held            | Attended |
| Shri K. Satyanarayana Raju | 1               | 1        |
| Shri Y. Subba Rao          | 1               | 1        |
| Shri 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

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.

#### Details of remuneration to the Directors for the year

| 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       |
| Shri Y. Rajeev Reddy    | Related to Smt. Y. Manjula Reddy, Shri Y. Siddharth Reddy and Shri Y. Varun Reddy | Promoter Director Chairman and Managing Director | Nil                                 | NA  | 1,20,00,000 | Nil        | 1,20,00,000 |
| Shri Y. Siddharth Reddy | Related to Shri Y. Rajeev Reddy, Smt. Y. Manjula Reddy, Shri Y. Varun Reddy       | Vice-Chairman and Joint Managing Director & CEO  | Nil                                 | NA  | 36,00,000   | Nil        | 36,00,000   |
| Shri Y. Varun Reddy     | Related to Shri Y. Rajeev Reddy, Smt. Y. Manjula Reddy, Shri Y. Siddharth Reddy   | Vice-Chairman and Joint Managing Director & COO  | Nil                                 | NA  | 36,00,000   | Nil        | 36,00,000   |

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](http://www.countryclubindia.net)



## Notes:

- The Company has not issued any Stock options.
- There were no service contracts/Agreements with our Directors.
- None of our Directors is eligible for severance pay.
- 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

## 9.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

- Shri Y. Subba Rao, Chairman
- Shri Indukuri Venkata Subba Raju, Member\*
- Shri D. V. Ratna Kishore, Member
- Smt. Mamatha Madhavi V Reddy\*

#### Category

Independent Directors

\*Smt. Mamatha Madhavi V Reddy was appointed as Member of the Committee w.e.f 7th March' 2018 and Shri Indukuri Venkata Subba Raju, Member has resigned from the Committee w.e.f 7th March' 2018.

During the year, One Stakeholders Relationship Committee meetings was held on 13thFebruary, 2018. The attendance of each member of the Committee is given below:

| Name of the Director                     | No. of Meetings |          |
|--|-----------------|----------|
|  | Held            | Attended |
| Shri Y. Subba Rao, Chairman              | 1               | 1        |
| Shri Indukuri Venkata Subba Raju, Member | 1               | 0        |
| Shri D. V. Ratna Kishore, Member         | 1               | 1        |
| Smt. Mamatha Madhavi V Reddy             | 0               | 0        |

The total number of complaints received during the year 2017 – 2018 was Nil, No complaints were outstanding as on 31st March, 2018.

## 10. Corporate Social Responsibility

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

### Name of the Member

1. Shri Venkateswara Dontireddy Reddy, Chairman
2. Shri Indukuri Venkata Subba Raju, Member
3. Smt. Mamatha Madhavi V Reddy, Chairman\*
4. Shri D. V. Ratna Kishore, Member\*
5. Shri Y. Siddharth Reddy, Member

### Category

**Independent Directors**

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.

## 11. General Body Meetings:

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

| AGM  | Year    | Venue  | Date       | Time       |
|------|---------|--|------------|------------|
| 26th | 2016-17 | Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad - 500 003 | 28-09-2017 | 12.00 Noon |
| 25th | 2015-16 | Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad - 500 003 | 30-09-2016 | 11.00 A.M  |
| 24th | 2014-15 | Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad - 500 003 | 30-09-2015 | 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  |
|-----------------|-----------------------------------|---|
| 28th Sep, 2017  | 02                                | <ul style="list-style-type: none"><li>• Revision In Terms Of Remuneration Payable to Shri. Y. Varun Reddy (Din: 01905757), Vice-Chairman, JMD &amp; COO</li><li>• Revision In Terms Of Remuneration Payable to Shri. Y. Siddharth Reddy (Din: 00815456), Vice-Chairman, JMD &amp; CEO:</li></ul>              |
| 30th Sep, 2016  | 03                                | <ul style="list-style-type: none"><li>• To re-appoint Shri Y. Varun Reddy (DIN: 01905757) as Vice-Chairman, JMD &amp; COO</li><li>• Conversion of loan availed from Canara Bank into equity share capital</li><li>• Conversion of Loan Availed from Central Bank of India Into Equity Share Capital</li></ul> |
| 30th Sep, 2015  | 02                                | <ul style="list-style-type: none"><li>• To re-appoint Shri Y. Siddharth Reddy (DIN: 00815456) as Vice-Chairman, JMD &amp; CEO</li><li>• To re-appoint Shri Y. Rajeev Reddy (DIN: 00115430) as Chairman &amp; Managing Director:</li></ul>   |

**C) 3 Resolutions were passed through Postal Ballot during the financial year 2017-18:**

| Date of the AGM    | No. of Special resolutions passed | Details of the Special Resolutions   |
|--------------------|-----------------------------------|--|
| 18th April, 2017   | 03                                | <ul style="list-style-type: none"> <li>Revision in terms of remuneration payable to Shri. Y. Varun Reddy (DIN: 01905757), Vice-Chairman, JMD &amp; COO</li> <li>Revision in terms of remuneration payable to Shri. Y. Siddharth reddy (din: 00815456), vice-chairman, JMD &amp; CEO</li> <li>Revision in terms of remuneration payable to Shri Y. Rajeev Reddy (DIN: 00115430) Chairman &amp; Managing Director</li> </ul> |
| 01st August, 2017  | 01                                | <ul style="list-style-type: none"> <li>Approval for Sale/transfer of the Assets of the Company</li> </ul>  |
| 30th January, 2018 | 03                                | <ul style="list-style-type: none"> <li>Issue of securities through qualified institutions placement on a private placement basis to qualified institutional buyers ("QIBs")</li> <li>Further issue of Equity Shares to Promoters of the Company on Preferential basis</li> <li>Issue of Share Warrants to Promoters of the Company on Preferential basis</li> </ul>  |

**12. 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.

**13. 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](http://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.

#### **14. Management discussion and analysis:**

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

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

The Company's equity shares are currently listed on BSE Limited(BSE) and National Stock Exchange of India Limited (NSE) and the payment for Annual Listing Fees for the Financial Year 2017-18 has been paid.

#### **16. General shareholder information:**

##### **a) Details of 27<sup>th</sup> Annual General Meeting**

**Date** : 29<sup>th</sup> September, 2018  
**Time** : 12.00 Noon  
**Venue** : Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad - 500 003

**b) Date of book closure** : 22<sup>nd</sup> September, 2018 to 29<sup>th</sup> September, 2018 (both days inclusive)

**c) Dividend payment date(s)** : The Board of Directors do not recommend any dividend for the financial year 2017-18.

**d) Listing on Stock Exchanges** : Presently, the Company's equity shares are listed at:

- BSE Limited , PhirozeJeejeebhoy Towers, Dalal Street, Mumbai – 400 001.

- National Stock Exchange of India Limited(NSE), Exchange Plaza, Bandra–Kurla Complex, Bandra (East), Mumbai – 400 051

##### **e) Stock code/ ISIN**

###### **I) Stock Code**

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

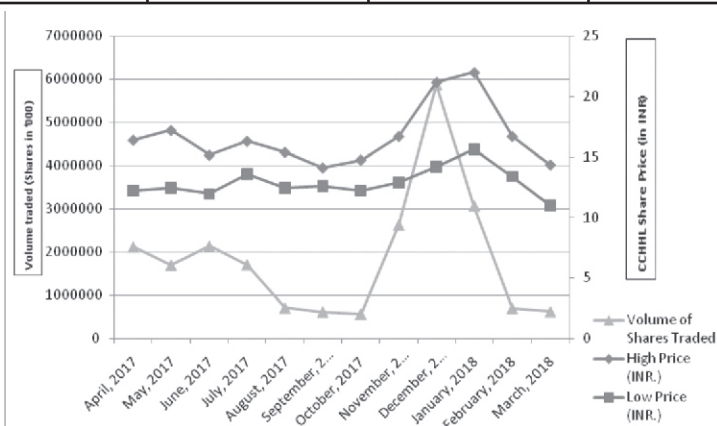
###### **II) Demat ISIN Number**

CDSL & NSDL (Equity Shares) : INE652 F01027

**g) Market price date high and low during each month in the last financial year:**

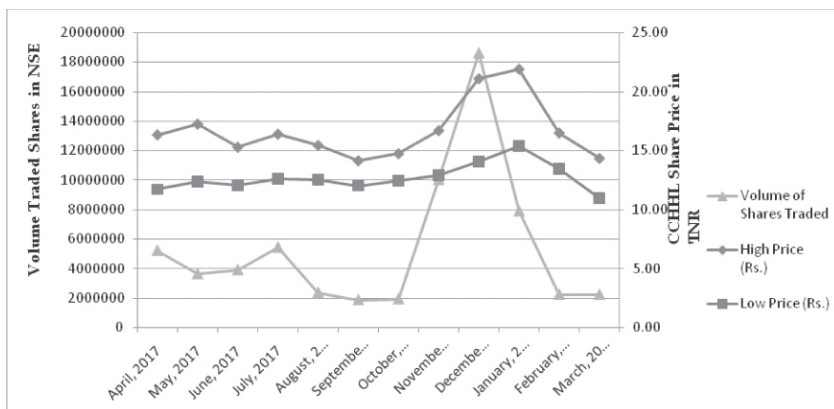
- Company's shares are being traded on BSE the high and low prices during each month are given below:

| Month           | Bombay Stock Exchange Limited |                 |                         |
|-----------------|-------------------------------|-----------------|-------------------------|
|                 | High Price (Rs.)              | Low Price (Rs.) | Volume of Shares Traded |
| April, 2017     | 16.39                         | 12.25           | 2115620                 |
| May, 2017       | 17.20                         | 12.45           | 1694965                 |
| June, 2017      | 15.15                         | 11.96           | 2134658                 |
| July, 2017      | 16.30                         | 13.61           | 1705852                 |
| August, 2017    | 15.39                         | 12.45           | 709340                  |
| September, 2017 | 14.11                         | 12.60           | 618354                  |
| October, 2017   | 14.75                         | 12.20           | 566233                  |
| November, 2017  | 16.70                         | 12.92           | 2629489                 |
| December, 2017  | 21.19                         | 14.18           | 5873307                 |
| January, 2018   | 22.00                         | 15.65           | 3070465                 |
| February, 2018  | 16.70                         | 13.40           | 700379                  |
| March, 2018     | 14.35                         | 11.00           | 620742                  |



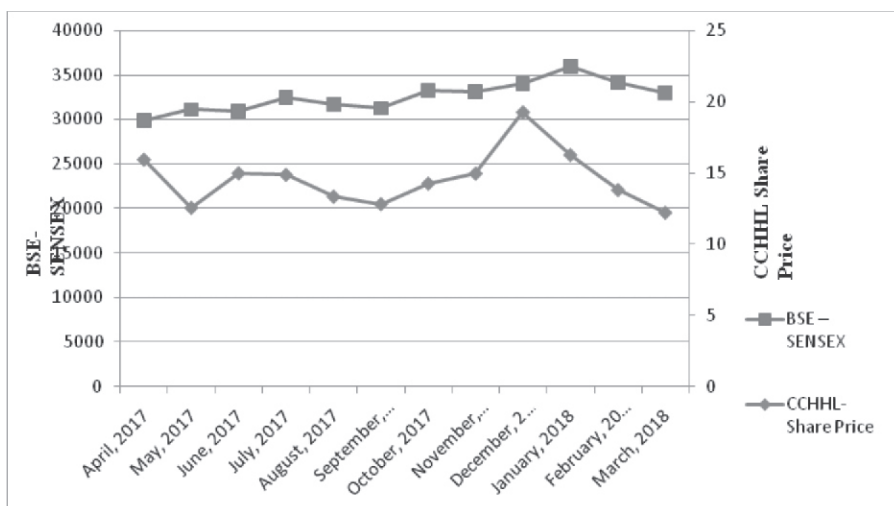
- Company's shares are being traded on NSE the high and low prices during each month for the year 2017-18 are given below:

|                 | National Stock Exchange of India Limited |                 |                         |
|-----------------|--|-----------------|-------------------------|
|                 | High Price (Rs.)                         | Low Price (Rs.) | Volume of Shares Traded |
| April, 2017     | 16.35                                    | 11.70           | 5226825                 |
| May, 2017       | 17.25                                    | 12.35           | 3644868                 |
| June, 2017      | 15.30                                    | 12.05           | 3913239                 |
| July, 2017      | 16.40                                    | 12.60           | 5450077                 |
| August, 2017    | 15.45                                    | 12.50           | 2369630                 |
| September, 2017 | 14.15                                    | 12.00           | 1877065                 |
| October, 2017   | 14.75                                    | 12.45           | 1947051                 |
| November, 2017  | 16.70                                    | 12.90           | 10028190                |
| December, 2017  | 21.10                                    | 14.05           | 18604804                |
| January, 2018   | 21.90                                    | 15.40           | 7897328                 |
| February, 2018  | 16.50                                    | 13.45           | 2249505                 |
| March, 2018     | 14.35                                    | 10.95           | 2243516                 |



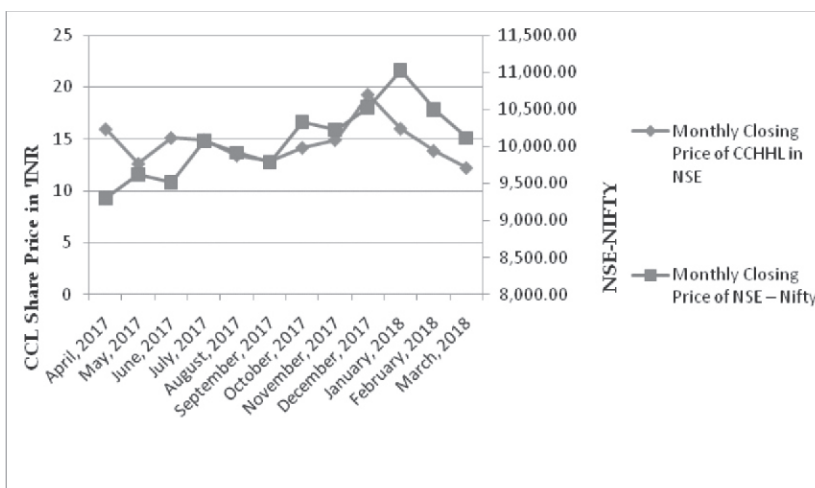
#### h) Stock performance in comparison to broad based indices such as BSE SENSEX: (in INR `)

| Month           | Share Price in BSE CLOSE | BSE – SENSEX CLOSE |
|-----------------|--------------------------|--------------------|
| April, 2017     | 15.92                    | 29918.4            |
| May, 2017       | 12.55                    | 31145.8            |
| June, 2017      | 14.97                    | 30921.61           |
| July, 2017      | 14.86                    | 32514.94           |
| August, 2017    | 13.33                    | 31730.49           |
| September, 2017 | 12.81                    | 31283.72           |
| October, 2017   | 14.25                    | 33213.13           |
| November, 2017  | 14.95                    | 33149.35           |
| December, 2017  | 19.24                    | 34056.83           |
| January, 2018   | 16.25                    | 35965.02           |
| February, 2018  | 13.80                    | 34184.04           |
| March, 2018     | 12.21                    | 32968.68           |



## Stock performance in comparison to broad based indices such as NSE Nifty: (in INR `)

| Month           | Monthly Closing Price of CCHHL in NSE | Monthly Closing Price of NSE – Nifty |
|-----------------|---------------------------------------|--------------------------------------|
| April, 2017     | 15.95                                 | 9,304.05                             |
| May, 2017       | 12.60                                 | 9,621.25                             |
| June, 2017      | 15.10                                 | 9,520.90                             |
| July, 2017      | 14.90                                 | 10,077.10                            |
| August, 2017    | 13.40                                 | 9,917.90                             |
| September, 2017 | 12.80                                 | 9,788.60                             |
| October, 2017   | 14.15                                 | 10,335.30                            |
| November, 2017  | 14.90                                 | 10,226.55                            |
| December, 2017  | 19.25                                 | 10,530.70                            |
| January, 2018   | 16.00                                 | 11,027.70                            |
| February, 2018  | 13.85                                 | 10,492.85                            |
| March, 2018     | 12.20                                 | 10,113.70                            |



### 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.aarthiconsultants.com](http://www.aarthiconsultants.com)**  
**Email: [info@arthiconsultants.com](mailto:info@arthiconsultants.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.aarthiconsultants.com](http://www.aarthiconsultants.com)**  
**Email: [info@arthiconsultants.com](mailto:info@arthiconsultants.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), 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, 2018:**

| No. of Shares Slab | No. of Shareholders |       | Share Amount |           |       |
|--------------------|---------------------|-------|--------------|-----------|-------|
|                    | Total               | %     | Total        | Total     | %     |
| 1 - 5000           | 19328               | 89.25 | 10537269     | 21074538  | 6.45  |
| 5001 - 10000       | 1205                | 5.56  | 4607920      | 9215840   | 2.82  |
| 10001 - 20000      | 584                 | 2.7   | 4493133      | 8986266   | 2.75  |
| 20001 - 30000      | 169                 | 0.78  | 2068210      | 4136420   | 1.27  |
| 30001 - 40000      | 87                  | 0.4   | 1575530      | 3151060   | 0.96  |
| 40001 - 50000      | 55                  | 0.25  | 1268609      | 2537218   | 0.78  |
| 50001 - 100000     | 124                 | 0.57  | 4317572      | 8635144   | 2.64  |
| 100001 & Above     | 104                 | 0.48  | 134596492    | 269192984 | 82.34 |
| Total:             | 21656               | 100   | 163464735    | 326929470 | 100   |

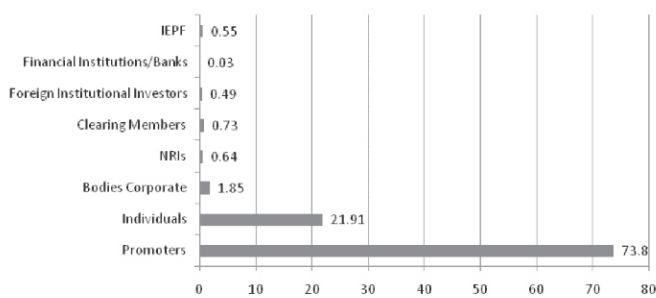
**n) Shareholding Pattern:**

| Category of Shareholder      | As on 31st March, 2018 |                     |       | As on 31st March, 2017 |                     |   |
|------------------------------|------------------------|---------------------|-------|------------------------|---------------------|---|
|                              | 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           | 5 |
| Total Promoter's Holding (A) | 5                      | 120637386           | 73.80 | 5                      | 120637386           | 5 |
| Public Shareholding          |                        |                     |       |                        |                     |   |
| Institutional Investors      |                        |                     |       |                        |                     |   |



|  |              |                  |               |              |                  |               |
|--|--------------|------------------|---------------|--------------|------------------|---------------|
| Mutual Funds   | Nil          | Nil              | Nil           | Nil          | Nil              | Nil           |
| Financial Institutions/Banks                           | 7            | 49018            | 0.03          | 3            | 720283           | 0.44          |
| Foreign Institutional Investors                        | 1            | 797083           | 0.49          | 1            | 797083           | 0.49          |
| Foreign Companies                                      | Nil          | Nil              | Nil           | Nil          | Nil              | Nil           |
| Non – Institutional Investors                          |              |                  |               |              |                  |               |
| Bodies Corporate                                       | 190          | 3028866          | 1.85          | 179          | 2754918          | 1.68          |
| Individuals  | 21107        | 35812299         | 21.91         | 18215        | 36665812         | 22.43         |
| Others   |              |                  |               |              |                  |               |
| Non Resident Indians                                   | 226          | 1046449          | 0.64          | 191          | 945147           | 0.58          |
| Overseas Corporate Bodies                              | Nil          | Nil              | Nil           | Nil          | Nil              | Nil           |
| Trusts   | 0            | 0                | 0             | 1            | 50000            | 0.03          |
| Clearing Members                                       | 118          | 1186954          | 0.73          | 91           | 894106           | 0.55          |
| IEPF   | 2            | 906680           | 0.55          | 0            | 0                | 0             |
| Total Public Shareholding (B)                          | 21651        | 42827349         | 26.20         | 17697        | 42827349         | 18681         |
| Shares held by Custodian against Depository Receipts © | Nil          | Nil              | Nil           | Nil          | Nil              | Nil           |
| <b>TOTAL (A+B+C)</b>                                   | <b>21656</b> | <b>163464735</b> | <b>100.00</b> | <b>18686</b> | <b>163464735</b> | <b>100.00</b> |

### Graph representing the Shareholding Pattern as on 31st March 2018:

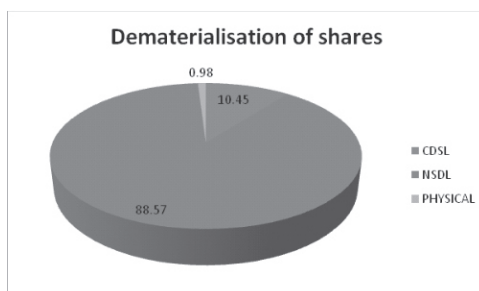


### o) Dematerialization of shares and liquidity

#### Shares held in Physical and Dematerialised form as on 31st March, 2018

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 93.02% of the Company's total equity share capital were held in dematerialized form of which 88.57% was held in National Securities Depository Limited (NSDL) and 10.45% was held in Central Depository Services (India) Limited (CDSL) and physical shares consists of 0.98% as on 31st March, 2018.



**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 66360609**  
**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**

| <b>Regulation</b> | <b>Particulars of Regulation</b>   | <b>Compliance Status (Yes/No)</b> |
|-------------------|--|-----------------------------------|
| 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](http://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 : 13<sup>th</sup> August, 2018**

**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, 2018 Compliance with the Code of Conduct of the Company laid down for them.

**Place: Hyderabad**  
**Date: 13th August, 2018**

**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, 2018 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, 2018**

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

**K. Phaneendra Rao**  
**Chief Financial Officer**

**Annexure – I**  
**Compliance Certificate on Corporate Governance**

**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, 2018 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.

**Place: Hyderabad**  
**Date: 13th August, 2018**

**For M/s. P C N & Associates,**  
**(Formerly known as**  
**M/s. Chandra Babu Naidu & Co.)**  
**Chartered Accountants**  
**(Firm Registration No. 016016S)**

**Chandra Babu M**  
**Partner**  
**(Membership No. 227849)**

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# **CONSOLIDATED**

## **Financial Section**

# INDEPENDENT AUDITOR'S REPORT

**To the Members of  
M/s COUNTRY CLUB HOSPITALITY & HOLIDAYS LIMITED**

## **Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of M/s COUNTRY CLUB HOSPITALITY & HOLIDAYS LIMITED (hereinafter referred to as 'the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') which comprise the consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including the statement of other comprehensive income), the Consolidated Statement of Cash Flow, the Consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Consolidated Ind AS Financial Statements').

## **Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated Ind AS financial position, consolidated Ind AS financial performance (including other comprehensive income), consolidated statement of cash flows and consolidated statement of changes in equity of the Group including its subsidiaries in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the 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, issued by the Institute of Chartered Accountants of India, as 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 Ind AS financial statements are free from material misstatement.

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



Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated Ind AS 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 the 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 Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS 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 31<sup>st</sup> March 2018, and their consolidated loss and their consolidated cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report, 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 Ind AS financial statements have been kept so far as it appears from our examination of those books
- c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Statement of Cash Flow and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2014
- e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2018, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors is disqualified as on March 31, 2018, 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 company incorporated in India.

**Other Matter:**

We did not audit the financial statements of below mentioned list of Two Subsidiaries Companies which are included in the consolidated year to date results, whose consolidated interim financial statements/financial information reflect total assets before elimination of ₹. 804,19,99,328/- as at 31<sup>st</sup> March, 2018, as well as the total revenues of ₹.83,43,35,010/- for the year ended 31st March, 2018. These include audited interim financial statements and other financial information has been audited by other Auditors whose reports have been furnished to us and our opinion on the quarterly financial results and the year to date results, to the extent they have been derived from such interim financial statements is based solely on the report of such other Auditors. In our opinion, and to the best of our information and according to the explanations given to us, these consolidated year-to-date financial results of the holding company include the following entities:

- (A) Aquarian Realtors Private Limited
- (B) Bright Resorts Private Limited
- (C) Bush Betta Holiday Ownership Wildlife Adventure Resort Private Limited
- (D) Chanakyapuri Resorts Private Limited
- (E) Country Club Babylon Resorts Private Limited
- (F) Country Vacations International Limited - Dubai
- (G) Country Vacations International Limited - India
- (H) International Country Holidays Private Limited
- (I) J.J Arts & Entertainments Private Limited
- (J) Maruti Waterpark & Entertainments Private Limited
- (K) Swami Vivekanand Training & Education Centre Private Limited
- (L) Swimwel Investment & Trading Private Limited
- (M) Club Arzee Limited

**For P C N& Associates.,**  
(Formerly Known as Chandra Babu Naidu & Co.)  
**Chartered Accountants**  
**Firm Registration No: 016016S**

**Place: Hyderabad**  
**Date : 30-05-2018**

**Chandra Babu .M**  
**Partner**  
**Membership No. 227849**

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF  
EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF  
M/S COUNTRY CLUB HOSPITALITY & HOLIDAYS LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (‘the Act’)**

In conjunction with our audit of the consolidated Ind AS financial statements of M/s Country Club Hospitality & Holidays Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of M/s Country Club Hospitality & Holidays Limited (hereinafter referred to as the ‘Holding Company’), and its subsidiary companies, which are companies incorporated in India, as of that date.

**Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Covered entities are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Covered entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the ‘Guidance Note’) 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 the respective 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 Companies Act, 2013 (‘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 and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform 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 judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls 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 Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations 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 detected. 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 Covered entities, which are companies incorporated in India, have, maintained 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 31, 2018, based on the internal control over financial reporting criteria established by the Covered entities considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For P C N& Associates.,**  
(Formerly Known as Chandra Babu Naidu & Co.)  
**Chartered Accountants**  
**Firm Registration No: 016016S**

**Place: Hyderabad**  
**Date : 30-05-2018**

**Chandra Babu .M**  
**Partner**  
**Membership No. 227849**

# CONSOLIDATED BALANCE SHEET AS AT 31-03-2018

Amount in ₹

| Particulars   | Note Nos. | As at<br>31-03-2018   | As at<br>31-03-2017   |
|---|-----------|-----------------------|-----------------------|
| <b>ASSETS</b>   |           |                       |                       |
| <b>1.Non - Current Assets</b>                               |           |                       |                       |
| (a) Fixed Assets  | 1         |                       |                       |
| (i) Tangible Assets   |           | 12,768,373,330        | 13,204,485,474        |
| (ii) Intangible Assets                                      |           | 816,762,412           | 817,276,911           |
| (iii) Capital Work in progress                              |           | 179,951,673           | 184,430,315           |
| (b) Long-Term Loans and Advances                            | 2         | 1,199,987,148         | 1,273,931,547         |
| (c) Other Non Current Assets                                | 3         | 37,399                | 37,399                |
| <b>2. Current Assets</b>                                    |           |                       |                       |
| (a) Current Investments                                     | 4         | 1,148,000             | 273,000               |
| (b) Inventories   | 5         | 52,203,095            | 40,759,236            |
| (c) Trade Receivables                                       | 6         | 197,041,445           | 197,133,464           |
| (d) Cash and Cash Equivalents                               | 7         | 99,392,312            | 117,218,685           |
| (e) Short-Term Loans and Advances                           | 8         | 637,938,256           | 637,995,731           |
| (f) Other Current Assets                                    | 9         | 244,645,023           | 247,165,792           |
| <b>TOTAL</b>  |           | <b>16,197,480,093</b> | <b>16,720,707,554</b> |
| <b>EQUITY AND LIABILITIES</b>                               |           |                       |                       |
| <b>1. Shareholders Funds</b>                                |           |                       |                       |
| (a) Share Capital   | 10        | 326,929,470           | 326,929,470           |
| (b) Reserves & Surplus                                      | 11        | 9,541,869,904         | 10,003,338,300        |
| <b>2. Non-Current Liabilities</b>                           |           |                       |                       |
| (a) Long - Term Borrowings                                  | 12        | 3,950,982,603         | 4,074,774,218         |
| (b) Deferred Tax Liabilities (Net)                          | 13        | 871,608,876           | 795,570,276           |
| (c) Deferred Income - Advance towards<br>Members Facilities |           | 50,482,128            | 50,482,128            |
| (d) Other Long Term Liabilities                             | 14        | 13,248,001            | 14,674,742            |
| (e) Long Term Provisions                                    | 15        | 16,003,781            | 17,646,700            |
| <b>3. Current Liabilities</b>                               |           |                       |                       |
| (a) Trade Payables  | 16        | 192,917,323           | 196,572,300           |
| (b) Other Current Liabilities                               | 17        | 841,501,993           | 814,290,010           |
| (c) Short - Term Provisions                                 | 18        | 391,936,014           | 426,429,410           |
| <b>TOTAL</b>  |           | <b>16,197,480,093</b> | <b>16,720,707,554</b> |

Significant Accounting Policies & Notes to Financial Statements 1 to 38

As per our report of even date  
**for P C N & Associates**  
 (Formerly known as Chandra Babu Naidu & Co)  
 Chartered Accountants  
 FRN:016016S

**M.Chandra Babu**  
 Partner  
 Membership No.227849

PLACE: HYDERABAD  
 DATE :30-05-2018

**for and on behalf of the Board of Directors**  
**COUNTRY CLUB HOSPITALITY & HOLIDAYS LIMITED**

**Y.RAJEEV REDDY** **Y.SIDDHARTH REDDY**  
 Chairman & Managing Director Vice-Chairman, JMD & CEO

**K.PHANEENDRA RAO** **V.SREELATHA**  
 Chief Financial Officer Company Secretary

# STATEMENT OF CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31-03-2018

Amount in ₹

| Particulars                               | Note Nos. | Year Ended<br>31-03-2018 | Year Ended<br>31-03-2017 |
|---|-----------|--------------------------|--------------------------|
| <b>I. INCOME</b>                          |           |                          |                          |
| Revenue From Operations                   | 19        | 3,304,820,660            | 4,529,263,235            |
| Other Income                              | 20        | 19,336,933               | 40,388,273               |
| <b>TOTAL REVENUE</b>                      |           | <b>3,324,157,593</b>     | <b>4,569,651,508</b>     |
| <b>II. EXPENDITURE</b>                    |           |                          |                          |
| Cost of Material Consumed                 | 21        | 166,943,385              | 212,656,506              |
| Employee Benefit Expenses                 | 22        | 1,308,522,106            | 1,578,044,856            |
| Finance Cost                              | 23        | 441,399,818              | 431,117,860              |
| Depreciation and Amortisation Expenses    | 1         | 479,859,484              | 454,068,486              |
| Other Expenses                            | 24        | 1,333,909,546            | 1,760,823,671            |
| <b>TOTAL EXPENDITURE</b>                  |           | <b>3,730,634,339</b>     | <b>4,436,711,379</b>     |
| <b>III. PROFIT</b>                        |           |                          |                          |
| Profit Before Exceptional and Tax (1 - 2) |           | (406,476,746)            | 132,940,129              |
| Profit Before Tax                         |           | (406,476,746)            | 132,940,129              |
| Tax Expense:                              |           |                          |                          |
| - Current Tax                             |           |                          | 463,945                  |
| - Deferred Tax                            |           | 76,038,600               | 83,648,339               |
| Profit for the Year                       |           | (482,515,346)            | 48,827,845               |
| Earning Per Share                         |           |                          |                          |
| - Basic                                   |           | (2.95)                   | 0.30                     |
| - Diluted                                 |           | (2.95)                   | 0.30                     |

Significant Accounting Policies & Notes to Financial Statements 1 to 38

As per our report of even date  
**for P C N & Associates**  
 (Formerly known as Chandra Babu Naidu & Co)  
 Chartered Accountants  
 FRN:016016S

**M.Chandra Babu**  
 Partner  
 Membership No.227849

PLACE: HYDERABAD  
 DATE :30-05-2018

**for and on behalf of the Board of Directors**  
**COUNTRY CLUB HOSPITALITY & HOLIDAYS LIMITED**

**Y.RAJEEV REDDY** **Y.SIDDHARTH REDDY**  
 Chairman & Managing Director Vice-Chairman, JMD & CEO

**K.PHANEENDRA RAO** **V.SREELATHA**  
 Chief Financial Officer Company Secretary

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2018

Amount in ₹

| Particulars  | Current Year         | Previous Year        |
|--|----------------------|----------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES:</b>                |                      |                      |
| Profit Before Tax  | (406,476,746)        | 132,940,129          |
| <b>Adjustments for :-</b>                                  |                      |                      |
| Depreciation   | 479,859,484          | 454,068,486          |
| Interest Paid  | 441,399,818          | 431,117,860          |
| Foreign Currency Translation Reserve                       | 45,672,109           | 77,434,317           |
| Excess amount charged in Reserves and Surplus              | (24,625,159)         | (42,167,078)         |
| Interest Income  | (1,783,631)          | (873,191)            |
| <b>Operating Cash Flow before Working Capital Changes</b>  | <b>534,045,875</b>   | <b>1,052,520,523</b> |
| (Increase) / Decrease in Inventory                         | (11,443,858)         | (7,525,962)          |
| (Increase) / Decrease in Trade Receivables                 | 92,019               | 17,519,130           |
| (Increase) / Decrease in Short Term Loans & Advances       | 57,475               | 226,364,540          |
| (Increase) / Decrease in Other Current Assets              | 2,520,769            | (673,143)            |
| (Increase) / Decrease in Current Investments               | (875,000)            | 1,000,000            |
| Increase / (Decrease) in Trade Payables                    | (3,654,977)          | (7,615,766)          |
| Increase / (Decrease) in Other Current Liabilities         | 27,211,983           | (399,058,644)        |
| Increase / (Decrease) in Short Term Provisions             | (34,493,396)         | (49,269,979)         |
| <b>CASH GENERATED FROM OPERATIONS</b>                      | <b>513,460,890</b>   | <b>833,260,699</b>   |
| Add: Prior Period Expenses                                 | -                    | -                    |
| Less: Income Tax Paid                                      |                      |                      |
| <b>CASH GENERATED FROM OPERATING ACTIVITIES</b>            | <b>513,460,890</b>   | <b>833,260,699</b>   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES:</b>                |                      |                      |
| Purchase/Sale of fixed Assets                              | (43,232,841)         | (375,958,270)        |
| Capital Work in Progress, Pre-operative Expenses           | 4,478,642            | (14,709,157)         |
| Interest Income  | 1,783,631            | 873,191              |
| Miscellaneous Expenses                                     | -                    | -                    |
| (Increase) / Decrease in Long Term Loans & Advances        | 73,944,399           | (532,598,226)        |
| <b>NET CASH AVAILABLE FROM INVESTING ACTIVITIES</b>        | <b>36,973,831</b>    | <b>(922,392,461)</b> |
| <b>CASH FLOW FROM FINANCING ACTIVITIES:</b>                |                      |                      |
| Proceeds From Issue of Equity Shares                       | -                    | -                    |
| Proceeds/(Repayment) of Loan                               | (123,791,615)        | 449,823,087          |
| Interest Paid  | (441,399,818)        | (431,117,860)        |
| Increase / (Decrease) in Other Long Term Liabilities       | (3,069,661)          | (5,509,705)          |
| Proceeds/(Repayment) of Membership Fees                    | -                    | -                    |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>               | <b>(568,261,094)</b> | <b>13,195,522</b>    |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS(I+II+III)</b> | <b>(17,826,373)</b>  | <b>(75,936,240)</b>  |
| Opening Balance of Cash & Cash Equivalents                 | 117,218,685          | 193,154,925          |
| Closing Balance of Cash & Cash Equivalents                 | 99,392,312           | 117,218,685          |

As per our report of even date  
**for P C N & Associates**  
 (Formerly known as Chandra Babu Naidu & Co)  
 Chartered Accountants  
 FRN:016016S

**M.Chandra Babu**  
 Partner  
 Membership No.227849

PLACE: HYDERABAD  
 DATE :30-05-2018

**for and on behalf of the Board of Directors**  
**COUNTRY CLUB HOSPITALITY & HOLIDAYS LIMITED**

**Y.RAJEEV REDDY**      **Y.SIDDHARTH REDDY**  
 Chairman & Managing Director      Vice-Chairman, JMD & CEO

**K.PHANEENDRA RAO**      **V.SREELATHA**  
 Chief Financial Officer      Company Secretary

**NOTE NO. 1**  
**CONSOLIDATED FIXED ASSETS SCHEDULES**

(SLM METHOD)

| PARTICULARS                | GROSS BLOCK<br>AS ON<br>1-4-2017 | ADDITIONS<br>DURING THE<br>YEAR | DELETIONS/<br>ADJUSTMENTS<br>DURING THE<br>YEAR | GROSS BLOCK<br>AS ON<br>31-03-2018 | DEPRECIATION<br>UP TO<br>1-4-2017 | DEPRECIATION<br>DURING THE<br>YEAR | DELETION/<br>ADJUSTMENTS<br>DEP DURING<br>THE YEAR | DEPRECIATION<br>AS ON<br>31-03-2018 | NET BLOCK<br>AS ON<br>31-03-2018 | NET BLOCK<br>AS ON<br>31-03-2017 |
|----------------------------|----------------------------------|---------------------------------|---|------------------------------------|-----------------------------------|------------------------------------|--|-------------------------------------|----------------------------------|----------------------------------|
| <b>Tangible Assets</b>     |                                  |                                 |   |                                    |                                   |                                    |  |                                     |                                  |                                  |
| Land & Site Development    | 595,392,640                      | -                               |   | 595,392,640                        |                                   |                                    |  |                                     | 595,392,640                      | 595,392,640                      |
| Building                   | 12,235,691,342                   | 53,063,325                      |   | 12,288,754,667                     | 1,771,946,087                     | 171,816,183                        |  | 1,943,762,270                       | 10,344,992,397                   | 10,463,745,255                   |
| Furniture & Fixtures       | 1,448,654,313                    | 4,093,538                       | 68,362,539                                      | 1,384,385,312                      | 675,732,112                       | 184,768,648                        | 46,001,152   | 814,499,608                         | 569,885,704                      | 772,922,201                      |
| Plant & Machinery          | 1,800,882,939                    | 9,081,704                       | 12,325,825                                      | 1,797,638,818                      | 440,783,617                       | 111,752,579                        | 7,715,382  | 544,820,814                         | 1,252,818,004                    | 1,360,099,322                    |
| Computers                  | 44,080,920                       | 1,480,741                       | 29,019,971                                      | 16,541,690                         | 38,425,183                        | 4,423,211                          | 29,019,971   | 13,828,423                          | 2,713,267                        | 5,655,737                        |
| Vehicles                   | 52,026,207                       | 2,653,291                       | 1,770,408                                       | 52,909,090                         | 45,355,888                        | 6,584,364                          | 1,602,480  | 50,337,772                          | 2,571,318                        | 6,670,319                        |
| <b>Total - A</b>           | 16,176,728,361                   | 70,372,599                      | 111,478,743                                     | 16,135,622,217                     | 2,972,242,887                     | 479,344,985                        | 84,338,985   | 3,367,248,887                       | 12,768,373,330                   | 13,204,485,474                   |
| <b>Previous Year</b>       | 15,852,792,329                   | 541,269,103                     | 217,333,071                                     | 16,176,728,361                     | 2,573,428,079                     | 449,217,219                        | 50,402,412   | 2,972,242,887                       | 13,204,485,474                   | 13,279,364,250                   |
| <b>Intangible Assets</b>   |                                  |                                 |   |                                    |                                   |                                    |  |                                     |                                  |                                  |
| Goodwill                   | 805,108,986                      |                                 |   | 805,108,986                        |                                   |                                    |  |                                     | 805,108,986                      | 805,108,986                      |
| Brand Development          | 9,474,059                        |                                 |   | 9,474,059                          | 9,474,059                         |                                    |  | 9,474,059                           | -                                | -                                |
| Software & Development     | 29,051,470                       |                                 | 27,405,394                                      | 1,646,076                          | 28,273,306                        | 514,499                            | 27,405,394   | 1,382,411                           | 263,665                          | 778,164                          |
| Intangible Assets          | 11,389,761                       |                                 |   | 11,389,761                         |                                   |                                    |  |                                     | 11,389,761                       | 11,389,761                       |
| <b>Total - B</b>           | 855,024,276                      | -                               | 27,405,394                                      | 827,618,882                        | 37,747,365                        | 514,499                            | 27,405,394   | 10,856,470                          | 816,762,412                      | 817,276,911                      |
| <b>Previous Year</b>       | 853,404,450                      | 1,619,826                       |   | 855,024,276                        | 32,896,099                        | 4,851,266                          |  | 37,747,365                          | 817,276,911                      | 820,508,351                      |
| <b>Grand Total - A+B</b>   | 17,031,752,637                   | 70,372,599                      | 138,884,137                                     | 16,963,241,099                     | 3,009,990,252                     | 479,859,484                        | 111,744,379  | 3,378,105,357                       | 13,585,135,742                   | 14,021,762,385                   |
| <b>Total Previous Year</b> | 16,706,196,779                   | 542,888,929                     | 217,333,071                                     | 17,031,752,637                     | 2,606,324,177                     | 454,068,486                        | 50,402,412   | 3,009,990,252                       | 14,021,762,385                   | 14,099,872,602                   |



**NOTE NO. 2 : LONG - TERM LOANS AND ADVANCES**

Amount in ₹

| Particulars                                  | As at<br>31-03-2018  | As at<br>31-03-2017  |
|--|----------------------|----------------------|
| <b>Unsecured Considered Good</b>             |                      |                      |
| Capital advance                              | 108,484,249          | 115,374,698          |
| Security Deposit                             | 233,827,854          | 307,852,722          |
| <b>Loans and Advances to Related Parties</b> |                      |                      |
| Zen Garden Hotel Private Limited             | 138,724              | 1,500                |
|  |                      |                      |
| Other loans And advances                     | 857,536,321          | 850,702,627          |
|  | <b>1,199,987,148</b> | <b>1,273,931,547</b> |

**NOTE NO. 3 : OTHER NON CURRENT ASSETS**

Amount in ₹

| Particulars                                  | As at<br>31-03-2018 | As at<br>31-03-2017 |
|--|---------------------|---------------------|
| Unamortised Selling and Preliminary Expenses |                     |                     |
| Preliminary Expenses Not Written off         | 37,399              | 37,399              |
|  | <b>37,399</b>       | <b>37,399</b>       |

**NOTE NO. 4 : CURRENT INVESTMENTS**

Amount in ₹

| Particulars                       | As at<br>31-03-2018 | As at<br>31-03-2017 |
|-----------------------------------|---------------------|---------------------|
| Investment-The Saraswat Coop Bank | 25,000              | 25,000              |
| The Cosmos Co-op Bank             | 975,000             | 100,000             |
| The Urban Co-Operative Bank       | 48,000              | 48,000              |
| Bharat Co-op.Bank Ltd.            | 100,000             | 100,000             |
|                                   | <b>1,148,000</b>    | <b>273,000</b>      |

**NOTE NO. 5 : INVENTORIES**

Amount in ₹

| Particulars  | As at<br>31-03-2018 | As at<br>31-03-2017 |
|--|---------------------|---------------------|
| Inventories (at lower of cost & net realisable value) stores |                     |                     |
| Food,Beverages,Smokes & Operating Supplies                   | 25,111,539          | 16,315,516          |
|  |                     |                     |
| Gifts  | 27,091,556          | 24,443,720          |
|  | <b>52,203,095</b>   | <b>40,759,236</b>   |

**NOTE NO. 6 : TRADE RECEIVABLES**

Amount in ₹

| Particulars  | As at<br>31-03-2018 | As at<br>31-03-2017 |
|--|---------------------|---------------------|
| Receivables outstanding for more than six months from the date they are due for payment<br>Unsecured & Considered Good | 3,139,753           | 1,852,134           |
|  |                     |                     |
| Receivables outstanding for less than six months from the date they are due for payment<br>Unsecured & Considered Good | 193,901,692         | 195,281,330         |
|  | <b>197,041,445</b>  | <b>197,133,464</b>  |

**NOTE NO. 7 : CASH AND CASH EQUIVALENTS**

Amount in ₹

| Particulars  | As at<br>31-03-2018 | As at<br>31-03-2017 |
|--|---------------------|---------------------|
| Cash on hand                                       | 13,840,385          | 6,908,573           |
| Balances with banks :                              |                     |                     |
| - Current Accounts                                 | 75,185,732          | 89,244,799          |
| - Fixed Deposits - with maturity of less/more than | 9,101,656           | 19,795,209          |
|  |                     |                     |
| Earmarked Accounts<br>- Unpaid Dividend Accounts   | 1,264,539           | 1,270,104           |
|  | <b>99,392,312</b>   | <b>117,218,685</b>  |

**NOTE NO. 8: SHORT TERM LOANS AND ADVANCES**

Amount in ₹

| Particulars   | As at<br>31-03-2018 | As at<br>31-03-2017 |
|---|---------------------|---------------------|
| Advance to Suppliers  | 2,547,219           | 2,472,938           |
| Loans and Advances to Employees                                     | 21,321,863          | 19,937,213          |
| Advances Recoverable in Cash or Kind - (Unsecured, Considered Good) | 557,160,518         | 559,220,723         |
| Advances with Statutory Authorities                                 | 56,908,656          | 56,364,857          |
|   | <b>637,938,256</b>  | <b>637,995,731</b>  |

**NOTE NO. 9 : OTHER CURRENT ASSETS**

Amount in ₹

| Particulars                    | As at<br>31-03-2018 | As at<br>31-03-2017 |
|--------------------------------|---------------------|---------------------|
| VAT Receivables                | -                   | 8,723,286           |
| TDS/TCS Receivables            | 12,148,060          | 10,901,311          |
| Prepaid Expenses               | 232,496,963         | 214,041,627         |
| Service Tax Credit Receivables | -                   | 13,499,568          |
|                                | <b>244,645,023</b>  | <b>247,165,792</b>  |

# NOTES TO CONSOLIDATED BALANCE SHEET

## NOTE NO. 10 : SHARE CAPITAL

Amount in ₹

| Particulars   | As at<br>31-03-2018 | As at<br>31-03-2017 |
|---|---------------------|---------------------|
| <b>Authorised Capital</b><br>220000000 Equity Shares (Previous Year 220000000 Equity Shares)                      | 440,000,000         | 440,000,000         |
| <b>Issued, Subscribed &amp; Fully Paid up:</b><br>163464735 Equity Shares (Previous Year 163464735 Equity Shares) | 326,929,470         | 326,929,470         |
|   | <b>326,929,470</b>  | <b>326,929,470</b>  |
| 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            | <b>163,464,735</b> | <b>163,464,735</b> |

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

| Name of the Shareholder | As at<br>31-03-2018 | As at<br>31-03-2017 |
|-------------------------|---------------------|---------------------|
| <b>Y.Rajeev Reddy</b>   |                     |                     |
| - No of Shares          | 106,337,986         | 106,337,986         |
| - % held in the Company | 65.05               | 65.05               |

## NOTE NO. 11 : RESERVES AND SURPLUS

Amount in ₹

| Particulars   | As at<br>31-03-2018 | As at<br>31-03-2017 |
|---|---------------------|---------------------|
| <b>Capital Reserve</b>                                  |                     |                     |
| As per last year Balance Sheet                          | 308,740,299         | 308,740,299         |
| Add: Current Year Transfer                              |                     |                     |
|   | <b>308,740,299</b>  | <b>308,740,299</b>  |
| Securities Premium Account                              | 4,966,551,969       | 4,966,551,969       |
| Foreign Currency Translation Reserve                    | 822,789,115         | 777,117,006         |
| Revaluation Reserve                                     | 43,655,100          | 43,655,100          |
| General Reserve   |                     |                     |
| As per last year Balance Sheet                          | 83,300,000          | 83,300,000          |
| Add: Transfer from statement of Profit and Loss account | -                   | -                   |
|   | <b>83,300,000</b>   | <b>83,300,000</b>   |

|  |                      |                       |
|--|----------------------|-----------------------|
| <b>Surplus:</b>  |                      |                       |
| <b>Surplus in Statement of Profit and Loss</b>   |                      |                       |
| As per last year Balance Sheet   | 3,823,973,926        | 3,817,313,159         |
| Add: Subsequent period to Amalgamation   |                      |                       |
| Amount transferred to Retained Earnings in pursuant of Schedule II to The Companies Act,2013 | 24,625,159)          | (42,167,078)          |
| Less: Amount pertaining to re-organisation of subsidiary                                     | -                    |                       |
| Add: Current year Profit   | (482,515,346)        | 48,827,845            |
| Surplus in Statement of Profit & Loss  | 3,316,833,421        | 3,823,973,926         |
| Total Reserves and Surplus   | <b>9,541,869,904</b> | <b>10,003,338,300</b> |

## NOTE NO. 12 : LONG - TERM BORROWINGS

Amount in ₹

| <b>Particulars</b>  | <b>As at<br/>31-03-2018</b> | <b>As at<br/>31-03-2017</b> |
|---|-----------------------------|-----------------------------|
| <b>Secured</b>  |                             |                             |
| <b>Term loans From Banks</b>  |                             |                             |
| - Oriental Bank of Commerce Loan  | 71,575,883                  | 75,625,613                  |
| - Oriental Bank of Commerce Loan - 2<br>(Secured by way of Hypothecation of Land & Buildings)   | 25,379,570                  | 30,495,313                  |
| - UBI Loan<br>(Secured by way of Hypothecation of Land & Buildings)   | 353,429,315                 | 384,376,130                 |
| - Vijaya Bank Loan<br>(Secured by way of Hypothecation of Land & Buildings)   | 256,160,073                 | 282,321,188                 |
| - Bank of India Loan<br>(Secured by way of Hypothecation of Land & Buildings)   | 138,972,434                 | 157,842,125                 |
| - Central Bank Of India-3547734960  | 28,285,527                  | 30,178,794                  |
| - Central Bank Of India-3547726552<br>(Secured by way of Hypothecation of Land & Buildings)   | 394,529,239                 | 433,207,806                 |
| - Canara Bank<br>(Secured by way of Hypothecation of Land & Buildings)  | 406,348,751                 | 448,470,458                 |
| - Saraswat Co Op Bank Loan I  | 74,375,000                  | 74,373,860                  |
| - Saraswat Co Op Bank Loan II<br>(Secured by way of Hypothecation of Land & Buildings)  | 375,659,464                 | 361,249,594                 |
| - Cosmos Bank Loan I  | 32,966,928                  | 42,940,546                  |
| - Cosmos Bank Loan II   | 42,001,365                  | 57,482,500                  |
| - Cosmos Bank Loan III<br>(Secured by way of Hypothecation of Land & Buildings)   | 189,863,976                 | 184,640,567                 |
| - National Bank of Fujjarah - NBF<br>(Secured by way of Mortagage of Country Club Hotel, Dubai .)   | 1,403,297,873               | 1,348,236,497               |
| <b>Equipment Finance &amp; Other Loans</b><br>(Loan from Emirates NBD & Dubai Islamic Bank and the same were secured by way of hypothecation of the vehicles) | 495,373                     | 3,316,453                   |
|   | <b>3,793,340,771</b>        | <b>3,914,757,444</b>        |
| <b>Unsecured</b>  |                             |                             |
| Loans and Advances From Related Parties   |                             |                             |
| - Y.Rajeev Reddy /Loan from Promoters   | 154,022,159                 | 154,022,159                 |
| - Zen Garden Hotel Pvt Ltd  | -                           | 2,060,705                   |
| Other Loans and Advances  | 3,619,672                   | 3,933,910                   |
|   | <b>157,641,832</b>          | <b>160,016,774</b>          |
|   | <b>3,950,982,603</b>        | <b>4,074,774,218</b>        |

**NOTE NO. 13 : DEFERRED TAX LIABILITIES (NET)**

Amount in ₹

| Particulars   | As at<br>31-03-2018 | As at<br>31-03-2017 |
|---|---------------------|---------------------|
| Opening Deferred tax Liability  | 795,570,276         | 711,921,937         |
| Add: Deferred Tax Liability from Amalgamation                                 |                     |                     |
| Add: Deferred Tax Liability for the year<br>( Due to SLM and WDV Difference ) | 76,038,600          | 83,648,339          |
|   | <b>871,608,876</b>  | <b>795,570,276</b>  |

**NOTE NO. 14 : OTHER LONG-TERM LIABILITIES**

Amount in ₹

| Particulars | As at<br>31-03-2018 | As at<br>31-03-2017 |
|-------------|---------------------|---------------------|
| Unsecured   |                     |                     |
| Deposits    | 13,248,001          | 14,674,742          |
|             | <b>13,248,001</b>   | <b>14,674,742</b>   |

**NOTE NO. 15 : LONG TERM PROVISIONS**

Amount in ₹

| Particulars                        | As at<br>31-03-2018 | As at<br>31-03-2017 |
|------------------------------------|---------------------|---------------------|
| Employees' end of service benefits | 16,003,781          | 17,646,700          |
|                                    | <b>16,003,781</b>   | <b>17,646,700</b>   |

**NOTE NO. 16 : TRADE PAYABLES**

Amount in ₹

| Particulars   | As at<br>31-03-2018 | As at<br>31-03-2017 |
|---|---------------------|---------------------|
| Total Outstanding Dues to Micro and Small Enterprises |                     |                     |
| Others  | 192,917,323         | 196,572,300         |
|   | <b>192,917,323</b>  | <b>196,572,300</b>  |

**NOTE NO.17 : OTHER CURRENT LIABILITIES**

Amount in ₹

| Particulars                          | As at<br>31-03-2018 | As at<br>31-03-2017 |
|--------------------------------------|---------------------|---------------------|
| Current Maturities of Long-Term Debt | 499,652,497         | 442,390,423         |
| Advance Received from Customers      | 3,169,704           | 4,802,559           |
| Unpaid Dividends                     | 1,013,596           | 1,265,179           |
| Dues to Statutory Authoritoes        | 201,592,541         | 179,232,975         |
| Other Liabilities                    | 122,791,222         | 172,800,535         |
| Creditors for Capital Goods          | 13,282,433          | 13,798,339          |
|                                      | <b>841,501,993</b>  | <b>814,290,010</b>  |

**NOTE NO.18 : SHORT - TERM PROVISIONS**

Amount in ₹

| Particulars                                  | As at<br>31-03-2018 | As at<br>31-03-2017 |
|--|---------------------|---------------------|
| <b>Provision for Employee Benefits</b>       |                     |                     |
| - Salaries Payable (Includes Incentives)     | 227,317,917         | 267,819,783         |
| - PF Payable                                 | 9,969,855           | 7,715,415           |
| - ESIC Payable                               | 7,174,165           | 3,084,069           |
| - PT Payable                                 | 6,957,324           | 5,783,091           |
| - Gratuity Payable                           | 39,129,326          | 36,855,400          |
| <b>Others</b>                                |                     |                     |
| - Provision for Income Tax                   | 0                   | 463,945             |
| - Consultancy & Professional Charges Payable | 5,401,086           | 4,022,448           |
| - Provision for Expenses                     | 95,986,341          | 100,685,259         |
|  | <b>391,936,014</b>  | <b>426,429,410</b>  |

**NOTE TO STATEMENT OF PROFIT AND LOSS****NOTE NO. 19 : REVENUE FROM OPERATIONS**

Amount in ₹

| Particulars  | Year Ended<br>31-03-2018 | Year Ended<br>31-03-2017 |
|--|--------------------------|--------------------------|
| <b>Sales of Services</b>   |                          |                          |
| Income from Sale of Membership, Tour Operating Service , Sports & Fitness Services etc., Training/Coaching in recreational activities relating to art,Culture & Sports,Fitness | 1,725,859,252            | 2,890,707,905            |
| Income from Hotel,Clubs & Resorts  | 276,771,206              | 274,544,595              |
| - Food & Beverages from Restaurant & Banquets  |                          |                          |
| Annual Room & Maintenance Charges  | 1,302,190,202            | 1,364,010,735            |
| Guest accommodation and Maintenance charges  |                          |                          |
|  | <b>3,304,820,660</b>     | <b>4,529,263,235</b>     |

**NOTE NO. 20 : OTHER INCOME**

Amount in ₹

| Particulars                       | Year Ended<br>31-03-2018 | Year Ended<br>31-03-2017 |
|-----------------------------------|--------------------------|--------------------------|
| <b>Interest Income</b>            |                          |                          |
| - On Deposits with Bank           | 1,783,631                | 873,191                  |
| - Miscellaneous Income/Lease Rent | 17,553,302               | 39,515,082               |
|                                   | <b>19,336,933</b>        | <b>40,388,273</b>        |

**NOTE NO. 21 : COST OF MATERIAL CONSUMED**

Amount in ₹

| Particulars  | Year Ended<br>31-03-2018 | Year Ended<br>31-03-2017 |
|--|--------------------------|--------------------------|
| Opening Stock of Food & Beverages, Stores and Operating Supplies       | 16,315,515               | 17,892,684               |
| Add: Purchases   | 175,739,406              | 211,079,337              |
| Less: Closing Stock of Food & Beverages, Stores and Operating Supplies | 25,111,536               | 16,315,515               |
|  | <b>166,943,385</b>       | <b>212,656,506</b>       |

**NOTE NO. 22 : EMLOYEE BENEFIT EXPENSES**

Amount in ₹

| Particulars                             | Year Ended<br>31-03-2018 | Year Ended<br>31-03-2017 |
|---|--------------------------|--------------------------|
| Salaries & Other Benefits               | 1,272,322,765            | 1,527,228,619            |
| Contribution to Provident & Other Funds | 18,560,038               | 26,904,345               |
| Staff Welfare Expenses                  | 17,639,303               | 23,911,892               |
|   | <b>1,308,522,106</b>     | <b>1,578,044,856</b>     |

**NOTE NO. 23 : FINANCE COST**

Amount in ₹

| Particulars            | Year Ended<br>31-03-2018 | Year Ended<br>31-03-2017 |
|------------------------|--------------------------|--------------------------|
| Interest on Term Loans | 441,399,818              | 431,117,860              |
|                        | <b>441,399,818</b>       | <b>431,117,860</b>       |

**NOTE NO. 24 : OTHER EXPENSES**

Amount in ₹

| Particulars                              | Year Ended<br>31-03-2018 | Year Ended<br>31-03-2017 |
|--|--------------------------|--------------------------|
| Upkeep & Service Cost                    |                          |                          |
| - Building Maintenance                   | 4,245,028                | 5,854,778                |
| - Repairs, Maintenance to other assets.  | 30,711,370               | 28,357,355               |
| - Vehicle Maintenance & Running Exp.     | 3,546,359                | 3,048,641                |
| - Other Maintenance                      | 70,210,678               | 84,760,312               |
| Power & Fuel                             | 146,900,299              | 140,366,776              |
| Rent including Lease Rent                | 332,226,908              | 384,395,548              |
| Rates & Taxes                            | 38,268,997               | 40,623,845               |
| Insurance                                | 2,898,688                | 5,282,125                |
| Finance Charges                          | 63,778,916               | 102,134,672              |
| Travelling & Conveyance                  | 59,477,466               | 79,545,293               |
| Printing & Stationery                    | 22,873,480               | 27,472,958               |
| Postage, Telegram & Telephones           | 56,451,331               | 90,383,547               |
| Advertisement & Other Marketing Expenses | 300,343,594              | 397,932,732              |
| Other Administrative Expenses            | 129,765,120              | 203,422,882              |
| Legal & Professional Charges.            | 71,001,249               | 166,035,346              |
| Auditors Remuneration Includes           |                          |                          |
| - Audit Fee                              | 710,063                  | 706,861                  |
| - For Taxation Matters                   | 200,000                  | 200,000                  |
| - For Other Services                     | 300,000                  | 300,000                  |
|  | <b>1,333,909,546</b>     | <b>1,760,823,671</b>     |

## SIGNIFICANT ACCOUNTING POLICIES

### 1. Corporate Information

Country Club Hospitality & Holidays Limited formerly known as Country Club (India) Limited ('the Company') is a public entity domiciled in India and 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. Its shares are listed on NSE & BSE

### 2. Basis of preparation

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

#### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value;
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share-based payments.

### 2.1 Summary of significant accounting policies

#### I Significant Accounting Estimates and Judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reporting amounts of assets, liabilities, income and expense and disclosures made. Although these estimates are based on management's best knowledge of current events and actions, actual result may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a high degree of judgments are described below:

#### Use of estimation and assumptions

In the process of applying the entity's accounting policies, management had made the following estimation and assumptions that have the significant effect on the amounts recognised in the financial statements.

#### Property, plant and equipment & Intangible Assets

Key estimates related to long-lived assets (property, plant and equipment, mineral leaseholds and intangible assets) include useful lives, recoverability of carrying values and the existence of any retirement obligations. As a result of future decisions, such estimates could be significantly modified. The



estimated useful lives of long-lived assets is applied as per schedule II of Companies Act, 2013 and estimated based upon our historical experience, engineering estimates and industry information. These estimates include an assumption regarding periodic maintenance and an appropriate level of annual capital expenditures to maintain the assets.

#### Impairment of plant & equipment and Intangible assets

The company assesses whether plant & equipment and intangible assets have any indication of impairment in accordance with the accounting policy. The recoverable amounts of plant & equipment and intangible asset have been determined based on value-in-use calculations. These calculations require the use of judgment and estimates.

#### Expected credit loss

Expected credit losses of the company are based on an evaluation of the collectability of receivables. A considerable amount of judgment is required in assessing the ultimate realization of these receivables, including their current creditworthiness, past collection history of each customer and ongoing dealings with them. If the financial conditions of the counterparties with which the Company contracted were to deteriorate, resulting in an impairment of their ability to make payments, additional expected credit loss may be required.

## **II Property, Plant and Equipment**

All items of property, plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Cost includes its purchase price (after deducting trade discounts and rebates), import duties & non-refundable purchase taxes, any costs directly attributable to bringing the asset to the location & condition necessary for it to be capable of operating in the manner intended by management, borrowing costs on qualifying assets and asset retirement costs. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The activities necessary to prepare an asset for its intended use or sale extend to more than just physical construction of the asset. It may also include technical (DPR, environmental, planning, Land acquisition and geological study) and administrative work such as obtaining approvals before the commencement of physical construction.

The cost of replacing a part of an item of property, plant and equipment is capitalized if it is probable that the future economic benefits of the part will flow to the Company and that its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, estimated useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in the profit or loss in the year the asset is derecognized.

Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work in Progress.

## Depreciation

Depreciation is provided on Straight Line Method, as per the provisions of schedule II of the Companies Act, 2013 or based on useful life estimated on the technical assessment.

Leasehold Assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

In respect of additions / deletions to the fixed assets / leasehold improvements, depreciation is charged from the date the asset is ready to use / up to the date of deletion.

Depreciation on adjustments to the historical cost of the assets on account of reinstatement of long term borrowings in foreign currency, if any, is provided prospectively over the residual useful life of the asset.

## III. Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

The company amortizes Computer software using the straight-line method over the period of 3 years

## Financial Assets

Financial assets comprise of investments in equity and debt securities, trade receivables, cash and cash equivalents and other financial assets.

### Initial recognition:

All financial assets are recognised initially at fair value. Purchases or sales of financial asset that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the assets.

### Subsequent Measurement:

#### (i) Financial assets measured at amortised cost:

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost using effective interest rate (EIR) method. The EIR amortization is recognised as finance income in the Statement of Profit and Loss.

### Impairment of Financial Assets:

Financial assets are tested for impairment based on the expected credit losses.

#### (i) Trade Receivables

An impairment analysis is performed at each reporting date. The expected credit losses over life time of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecasts of future economic conditions. In this approach assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

#### (ii) Other financial assets

Other financial assets are tested for impairment based on significant change in credit risk since initial recognition and impairment is measured based on probability of default over the life time when there is significant increase in credit risk.

## De-recognition of financial assets

A financial asset is derecognized only when:

- The company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset and transferred substantially all risks and rewards of ownership of the financial asset, in such cases the financial asset is derecognized. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is also derecognized if the company has not retained control of the financial asset.

## IV Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

## V Inventories

Construction materials, raw materials, consumables, stores and spares and finished goods are valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.

Construction/Development work-in-progress related to project works is valued at lower of cost or net realizable value, where the outcome of the related project is estimated reliably. Cost includes cost of land, cost of materials, cost of borrowings and other related overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## VI Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less. Deposits with banks subsequently measured at amortized cost and short term investments are measured at fair value through Profit & Loss Account.

## VII Non-current Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of the disposal group, are re-measured in accordance with the Company's accounting policies. Thereafter, the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment losses on initial classification as held for sale or subsequent gain on re-measurement are recognized into net income. Gains are not recognized in excess of any cumulative impairment losses.

## **VIII Financial Liabilities**

### **Initial recognition and measurement**

Financial liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus any directly attributable transaction costs, such as loan processing fees and issue expenses.

### **Subsequent measurement**

The measurement of financial liabilities depends on their classification as follows: -

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

## **IX Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other costs that an entity incurs in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

## **X Employee Benefits**

- Employee benefits are charged to the statement of Profit and Loss for the year and for the projects under construction stage are capitalized as other direct cost in the Capital Work in Progress / Intangible asset under development.
- Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are recognised, when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- Gratuity liability is defined benefit obligations and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re-measurement in case of defined benefit plans gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and they are included in retained earnings in the statement of changes in equity in the balance sheet.
- Compensated absences are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

- The amount of Non-current and Current portions of employee benefits is classified as per the actuarial valuation at the end of each financial year.

## **XI Income Taxes**

Income tax expense is comprised of current and deferred taxes. Current and deferred tax is recognized in net income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income taxes for the current period, including any adjustments to tax payable in respect of previous years, are recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the tax rates that are enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases using the tax rates that are expected to apply in the period in which the deferred tax asset or liability is expected to settle, based on the laws that have been enacted or substantively enacted by the reporting date. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced accordingly to the extent that it is no longer probable that they can be utilized.

Deferred tax assets and liabilities are offset when there is legally enforceable right of offset current tax assets and liabilities when the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the entity has legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## **XII Leases**

### **As a lessee**

Lease of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### **As a lessor**

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

### **Lease-hold land:**

Leasehold land that normally has a finite economic life and title which is not expected to pass to the lessee by the end of the lease term is treated as an operating lease.

The payment made on entering into or acquiring a leasehold land is accounted for as leasehold land use rights (referred to as prepaid lease payments in Ind AS 17 “Leases”) and is amortized over the lease term in accordance with the pattern of benefits provided.

### **XIII Provisions, Contingent Liabilities and Contingent Assets**

#### **Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense and is recorded over the estimated time period until settlement of the obligation. Provisions are reviewed and adjusted, when required, to reflect the current best estimate at the end of each reporting period.

The Company recognizes decommissioning provisions in the period in which a legal or constructive obligation arises. A corresponding decommissioning cost is added to the carrying amount of the associated property, plant and equipment, and it is depreciated over the estimated useful life of the asset.

A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under contract. The provision is measured at the present value of the lower of expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognizes any impairment loss on the assets associated with that contract.

Liquidated Damages / Penalty as per the contracts / Additional Contract Claims under the contract entered into with Vendors and Contractors are recognised at the end of the contract or as agreed upon.

#### **Contingent Liabilities**

Contingent liability is disclosed in case of

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A possible obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company where the probability of outflow of resources is not remote.

#### **Contingent Assets**

Contingent assets are not recognized but disclosed in the financial statements when as inflow of economic benefits is probable

### **XIV Revenue Recognition**

The Company's business is to sell Club ownership, provide tour and holidays services, accommodation services, Training/Coaching in recreational activities relating to art, culture & sports, fitness training and clubbing to its members for a specified period, for which fee is collected either in full up front, or on deferred payment basis. Revenue from 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.

Annual subscription fee is recognized as income as and when collected. Income from resorts, Income from room rental, travel services food and beverages income etc., is recognized as and when services are rendered.

## **XV Foreign Currency Transactions**

Transactions in foreign currencies are translated to the functional currency of the company, at exchange rates in effect at the transaction date.

At each reporting date monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the date of the statement of financial position.

The translation for other non-monetary assets is not updated from historical exchange rates unless they are carried at fair value.

## **XVI Minimum Alternative Tax (MAT)**

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

## **XVII Earnings per Share**

Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.  
Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:
- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## **XVIII BASIS OF CONSOLIDATION**

The financial statements of the group companies are consolidated on a line by line basis and intra group balances and transactions, including unrealized gain/loss from such transactions, are eliminated on upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the group. Non controlling interests which represents part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company are excluded.

Associates are entities over which the group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in associates includes goodwill identified on acquisition.

Associates are entities over which the group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in associates includes goodwill identified on acquisition.

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

| S.No.   | Relationship  | Name of the Subsidiary  |
|---|---|---|
| 1<br>2<br>3<br>4<br>5<br>6<br>7<br>8<br>9<br>10<br>11<br>12<br>13 | Subsidiaries of Country Club Hospitality & Holidays Limited           | Aquarian Realtors Private Limited<br>Bright Resorts Private Limited<br>Bush Betta Holiday Ownership Wildlife Adventure Resort Pvt Ltd<br>Chanakyapuri Resorts Pvt Ltd<br>Country Club Babylon Resorts Pvt Ltd<br>Country Vacations International Ltd – Dubai<br>Country Vacations International Ltd – India<br>International Country Holidays Private Limited<br>(formerly known as Aakruti Engineers Private Limited)<br>J.J. Arts & Entertainments Pvt Ltd<br>Maruti Waterpark & Entertainments Pvt Ltd<br>Swami Vivekanand Training & Education Centre Private Limited<br>Swimwel Investment & Trading Private Limited<br>Club Arzee Limited |
| 1<br>2<br>3<br>4<br>5<br>6<br>7<br>8                              | Step-Down Subsidiaries Of Country Vacations International Ltd – Dubai | Country Club & Vacations W.L.L – Qatar<br>Country Vacations International Limited – London<br>Country Vacations International LLC – Dubai<br>Country Vacations International LLC – Oman<br>Country Vacations International LLC–Abu Dhabi<br>Country Vacations International SDN BHD, Malaysia<br>Country Vacations International W.L.L – Bahrain<br>Kolet Resort Club Pvt Ltd   |
| 9   | Step-Down Subsidiary of Aquarian Realtors Pvt Ltd                     | Jade Resorts Pvt Ltd  |

## NOTES TO THE FINANCIAL STATEMENTS

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

Amount in ₹

| S.No. | Name of the Director   | Designation                  | Remuneration |
|-------|------------------------|------------------------------|--------------|
| 1     | Mr. Y. Rajeev Reddy    | Chairman & Managing Director | 1,20,00,000  |
| 2     | Mr. Y. Siddharth Reddy | Vice-Chairman, JMD & CEO     | 36,00,000    |
| 3     | Mr. Y. Varun Reddy     | Vice-Chairman, JMD & COO     | 36,00,000    |



## 26. Particulars relating to managing director

Amount in ₹

| Particulars             | Current Year | Previous year |
|-------------------------|--------------|---------------|
| Directors' Remuneration | 1,92,00,000  | 96,00,000     |
| 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.  
i) 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

| Particulars        | Current Year | Previous year |
|--------------------|--------------|---------------|
| Subsidiary Company | -            | -             |
| Total Net flow     | -            | -             |

29. There are no dues to SSI Units outstanding for more than 30 days.
30. In accordance with Accounting Standard 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   | -            | 4,63,945      |
| Deferred Tax | 7,60,38,600  | 8,36,48,339   |

31. As per Accounting Standard 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<br>b) Bright Resorts Pvt Ltd<br>c) Bush Betta Holiday Ownership Wildlife Adventure Resort Pvt Ltd<br>d) Chanakyapuri Resorts Pvt Ltd<br>e) Country Club Babylon Resorts Pvt Ltd<br>f) Country Vacations International Ltd – Dubai<br>g) Country Vacations International Ltd – India<br>h) International Country Holidays Private Limited<br>(formerly known as Aakruti Engineers Private Limited)<br>i) J.J. Arts & Entertainments Pvt Ltd<br>j) Maruti Waterpark & Entertainments Pvt Ltd<br>k) Swami Vivekanand Training & Education Centre Pvt Ltd<br>l) Swimwel Investment & Trading Pvt Ltd<br>m) Club Arzee Ltd |

|                        |  |
|------------------------|--|
| Step-Down Subsidiaries | a) Country Club & Vacations W.L.L – Qatar<br>b) Country Vacations International Limited – London<br>c) Country Vacations International LLC – Dubai<br>d) Country Vacations International LLC – Oman<br>e) Country Vacations International LLC–Abu Dhabi<br>f) Country Vacations International SDN BHD, Malaysia<br>g) Country Vacations International W.L.L – Bahrain<br>h) Jade Resorts Pvt Ltd<br>i) Kolet Resort Club Pvt Ltd |
| Associated Companies   | a)Amrutha Estates Pvt Ltd<br>b)Country Condos' Limited<br>c)Country Vacations International – Dubai<br>d)Zen Garden Hotel Private Limited  |
| Vice-Chairman,JMD&COO  | Y. Varun Reddy   |
| CMD                    | Y. Rajeev Reddy  |
| Director               | Y. Manjula Reddy   |

## B. Transactions during the year with Related Parties

Amount in ₹

| Nature of Transaction  | Subsidiary Companies including Step-Down Subsidiaries | Associate Companies | Other Related Parties |
|------------------------|---|---------------------|-----------------------|
| Lease Rentals payable  | 21,00,000   | 7,20,000            | 58,20,446             |
| Directors Remuneration | -   | -                   | 1,92,00,000           |
| Brand Ambassador fee   | -   | -                   | 48,00,000             |

## 32. The Basic and Diluted EPS is Calculated as under

Amount in ₹

| Particulars  | 31st March,2018 | 31st March,2017 |
|--|-----------------|-----------------|
| a) Profit after Tax (₹)  | (48,25,15,346)  | 4,88,27,845     |
| b) Earnings available to Equity Shareholders for Basic & Diluted EPS (₹) | (48,25,15,346)  | 4,88,27,845     |
| 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  | (2.95)          | 0.30            |
| - Diluted  | (2.95)          | 0.30            |
| e) Nominal Value per Share (₹)   | 2               | 2               |

### 33. 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.

The company has disputed dues amounting to ₹13,40,65,627 which belongs to various Assessment Yeas 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 ₹11,03,80,233/- (Previous Year ₹11,50,96,926/-)
- 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 ₹86,53,12,860/- (Previous Year ₹85,62,27,443/-).
- 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 ₹48,00,24,670/- (Previous Year ₹48,29,86,600/-).
- 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 ` 48,17,48,751/- (Previous Year ₹ 46,73,70,458/-).
- 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 ₹7,43,75,000/- (Previous Year ₹ 8,25,29,860/-)
- 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 ₹37,56,59,464/- (Previous Year ₹40,14,86,594/-).
- 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 ₹14,02,67,961/-(Previous Year ₹ 16,40,73,863/-)
- 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 ₹17,96,83,409/- (Previous Year ₹21,45,62,567/-).

- l) Term loan from National Bank of Fujarah –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 ₹155,41,16,882/- (Previous year ₹153,85,78,937/-) The term loan taken from Bank of Baroda, Dubai is repaid by National Bank of Fujarah- NBF.

### Equipment Finance and Other Loans

- j ) Equipment Finance & Other Loans from ENBD, Dubai Islamic Bank, NBAD & RAK Banks for Vehicles and for expansion of existing Clubs and the same were secured by way of hypothecation of the Vehicles. The Outstanding Balance for the Current year is ₹37,64,053/- (Previous Year ₹ 70,70,006/-).
- 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 ₹2,71,64,614/- (Previous Year ₹2,71,64,614/-).
35. 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.

Amount in ₹

| Particulars                          | Amount   |
|--------------------------------------|----------|
| Unpaid Dividend for the year 2013-14 | 2,70,658 |
| Unpaid Dividend for the year 2012-13 | 2,67,862 |
| Unpaid Dividend for the year 2011-12 | 2,42,514 |
| Unpaid Dividend for the year 2010-11 | 2,32,562 |

37. Previous year's figures have been regrouped wherever necessary.
38. The figures have been rounded off to the nearest rupee.

As per our report of even date  
**for P C N & Associates**  
 (Formerly known as Chandra Babu Naidu & Co)  
 Chartered Accountants  
 FRN:016016S

**M.Chandra Babu**  
 Partner  
 Membership No.227849

PLACE: HYDERABAD  
 DATE :30-05-2018

**for and on behalf of the Board of Directors**  
**COUNTRY CLUB HOSPITALITY & HOLIDAYS LIMITED**

**Y.RAJEEV REDDY** **Y.SIDDHARTH REDDY**  
 Chairman & Managing Director Vice-Chairman, JMD & CEO

**K.PHANEENDRA RAO** **V.SREELATHA**  
 Chief Financial Officer Company Secretary

# **STANDALONE**

## **Financial Section**

# INDEPENDENT AUDITOR'S REPORT

**To the Members of  
M/s COUNTRY CLUB HOSPITALITY & HOLIDAYS LIMITED**

## **Report on the Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of Country Club Hospitality & Holidays Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (Including other Comprehensive Income) and Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. (herein after referred to as "Ind AS Financial Statement")

## **Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance(including the other comprehensive income), cash flows and Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued there under. This responsibility also 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 Ind AS 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 Ind AS 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 standalone Ind AS financial statements are free from material misstatement.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including Ind AS of the financial position of the Company as at 31st March 2018, and its financial performance including other comprehensive income, its cash flow and changes in the equity 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 Ind AS 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, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 2018.

**For P C N & Associates,  
(Formerly known as Chandra Babu Naidu & Co.)  
Chartered Accountants  
Firm Registration No.016016S**

**Chandra Babu M  
Partner  
M.No.227849**

**Date : 30-05-2018  
Place: Hyderabad.**

**Annexure A to the Auditor's Report**  
**Annexure referred to in Independent Auditors Report to the Members of**  
**Country Club Hospitality & Holidays Ltd on the standalone Ind AS financial**  
**statements for the year ended 31st March 2018, we report that:**

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

- 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. According to the information and explanations given to us, the Company has granted unsecured loans / advances to parties covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of which :
  - a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - b) The company has granted the loans / advances for the investment into the properties/subsidiaries for purchase of clubs/resorts, hence there has been no default on the part of the parties to whom the money has been lent.
  - c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- 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, Customs Duty, Excise duty, Goods & Service Tax and other material statutory dues, as applicable, with the appropriate authorities in India ;
- (b) There were undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance, Income-tax, Service Tax, Goods & Service Tax and other material statutory dues in arrears as at 31st March 2018 for a period of more than 6 months for the date they became payable.
- © According to the information and explanations given to us and based on the records of the company examined by us, Rs.13,40,65,627/- which belong to various assessment years which have not been deposited on account of disputes.
- viii. In our opinion, and according to the information and explanations given to us, the company has delayed in repayment of dues to financial institution or banks as at the balance sheet date.
- 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. According to the information and explanations given to us and based us on our examination of the records of the company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- 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 C N & Associates,  
(Formerly known as Chandra Babu Naidu & Co.)  
Chartered Accountants  
Firm Registration No.016016S**

**Chandra Babu M  
Partner  
M.No.227849**

**Date : 30-05-2018  
Place: Hyderabad.**

## **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 31<sup>st</sup> March 2018 in conjunction with our audit of standalone Ind AS 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 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 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, 2018, 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 C N & Associates,  
(Formerly known as Chandra Babu Naidu & Co.)  
Chartered Accountants  
Firm Registration No.016016S**

**Chandra Babu M  
Partner  
M.No.227849**

**Date : 30-05-2018  
Place: Hyderabad.**

# BALANCE SHEET AS AT 31-03-2018

Amount in ₹

| Particulars                        | Note Nos. | As at<br>31-03-2018   | As at<br>31-03-2017   |
|------------------------------------|-----------|-----------------------|-----------------------|
| <b>ASSETS</b>                      |           |                       |                       |
| <b>1.Non-Current Assets</b>        |           |                       |                       |
| (a) Fixed Assets                   |           |                       |                       |
| (i) Tangible Assets                | 1         | 6,740,800,500         | 6,880,721,392         |
| (ii) Intangible Assets             |           | 142,422,027           | 142,935,026           |
| (iii) Capital Work in progress     |           | 100,497,745           | 104,571,999           |
| (b) Non-Current Investments        | 2         | 2,401,458,339         | 2,401,458,339         |
| (c) Long-Term Loans and Advances   | 3         | 1,273,327,972         | 1,264,459,848         |
| <b>2. Current Assets</b>           |           |                       |                       |
| (a) Current Investments            | 4         | 1,000,000             | 125,000               |
| (b) Inventories                    | 5         | 30,808,568            | 29,317,587            |
| (c) Trade Receivables              | 6         | 58,735,271            | 59,949,925            |
| (d) Cash and Cash Equivalents      | 7         | 50,741,862            | 86,210,792            |
| (e) Short-Term Loans and Advances  | 8         | 249,110,282           | 257,573,082           |
| (f) Other Current Assets           | 9         | 15,696,082            | 36,016,308            |
| <b>TOTAL</b>                       |           | <b>11,064,598,648</b> | <b>11,263,339,298</b> |
| <b>EQUITY AND LIABILITIES</b>      |           |                       |                       |
| <b>1. Shareholders Funds</b>       |           |                       |                       |
| (a) Share Capital                  | 10        | 326,929,470           | 326,929,470           |
| (b) Reserves & Surplus             | 11        | 6,074,845,052         | 6,271,931,240         |
| <b>2. Non-Current Liabilities</b>  |           |                       |                       |
| (a) Long-Term Borrowings           | 12        | 2,826,942,991         | 2,995,431,346         |
| (b) Deferred Tax Liabilities (Net) | 13        | 823,448,679           | 751,328,269           |
| (c) Other Long Term Liabilities    | 14        | 7,481,742             | 7,981,742             |
| <b>3. Current Liabilities</b>      |           |                       |                       |
| (a) Trade Payables                 | 15        | 163,119,269           | 158,160,090           |
| (b) Other Current Liabilities      | 16        | 559,528,253           | 474,638,419           |
| (c) Short-Term Provisions          | 17        | 282,303,192           | 276,938,722           |
| <b>TOTAL</b>                       |           | <b>11,064,598,648</b> | <b>11,263,339,298</b> |

Significant Accounting Policies & Notes to Financial Statements 1 to 37

As per our report of even date  
**for P C N & Associates**  
 (Formerly known as Chandra Babu Naidu & Co)  
 Chartered Accountants  
 FRN:016016S

**for and on behalf of the Board of Directors**  
**COUNTRY CLUB HOSPITALITY & HOLIDAYS LIMITED**

**M.Chandra Babu**  
 Partner  
 Membership No.227849

**Y.RAJEEV REDDY** **Y.SIDDHARTH REDDY**  
 Chairman & Managing Director Vice-Chairman, JMD & CEO

PLACE: HYDERABAD  
 DATE :30-05-2018

**K.PHANEENDRA RAO**  
 Chief Financial Officer

**V.SREELATHA**  
 Company Secretary

# STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-03-2018

Amount in ₹

| Particulars                            | Note Nos. | Year Ended<br>31-03-2018 | Year Ended<br>31-03-2017 |
|--|-----------|--------------------------|--------------------------|
| <b>I. INCOME</b>                       |           |                          |                          |
| Revenue From Operations                | 18        | 2,353,410,902            | 2,566,681,157            |
| Other Income                           | 19        | 14,586,471               | 37,201,949               |
| <b>TOTAL REVENUE</b>                   |           | <b>2,367,997,373</b>     | <b>2,603,883,106</b>     |
| <b>II. EXPENDITURE</b>                 |           |                          |                          |
| Cost of Material Consumed              | 20        | 97,057,218               | 113,084,509              |
| Employee Benefit Expenses              | 21        | 953,856,587              | 1,026,430,029            |
| Finance Cost                           | 22        | 338,357,024              | 355,789,408              |
| Depreciation and Amortisation Expenses | 1         | 179,514,871              | 192,430,590              |
| Other Expenses                         | 23        | 899,552,292              | 986,240,656              |
| <b>TOTAL EXPENDITURE</b>               |           | <b>2,468,337,992</b>     | <b>2,673,975,192</b>     |
| <b>III. PROFIT</b>                     |           |                          |                          |
| Profit/(Loss) Before Tax (1 - 2)       |           |                          |                          |
| Tax Expense:                           |           | (100,340,619)            | (70,092,086)             |
| - Current Tax                          |           | -                        | -                        |
| - Deferred Tax                         |           | 72,120,410               | 79,012,979               |
| Profit/(Loss) for the Year             |           | (172,461,029)            | (149,105,065)            |
| Earning Per Share                      |           |                          |                          |
| - Basic                                |           | (1.06)                   | (0.91)                   |
| - Diluted                              |           | (1.06)                   | (0.91)                   |

Significant Accounting Policies & Notes to Financial Statements 1 to 37

As per our report of even date  
**for P C N & Associates**  
 (Formerly known as Chandra Babu Naidu & Co)  
 Chartered Accountants  
 FRN:016016S

**M.Chandra Babu**  
 Partner  
 Membership No.227849

PLACE: HYDERABAD  
 DATE :30-05-2018

**for and on behalf of the Board of Directors**  
**COUNTRY CLUB HOSPITALITY & HOLIDAYS LIMITED**

**Y.RAJEEV REDDY** **Y.SIDDHARTH REDDY**  
 Chairman & Managing Director Vice-Chairman, JMD & CEO

**K.PHANEENDRA RAO** **V.SREELATHA**  
 Chief Financial Officer Company Secretary

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2018

Amount in ₹

| Particulars  | Current Year         | Previous Year        |
|--|----------------------|----------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES:</b>                |                      |                      |
| Profit Before Tax  | (100,340,619)        | (70,092,086)         |
| <b>Adjustments for : -</b>                                 |                      |                      |
| Depreciation   | 179,514,871          | 192,430,590          |
| Interest Paid  | 338,357,024          | 355,789,408          |
| Excess amount charged in Reserves and Surplus              | (24,625,159)         | (42,167,078)         |
| Excess amount charged in Deferred Tax Liability            | -                    | -                    |
| Interest Income  | (1,782,131)          | (873,191)            |
| <b>Operating Cash Flow before Working Capital Changes</b>  | <b>391,123,986</b>   | <b>435,087,643</b>   |
| (Increase) / Decrease in Inventory                         | (1,490,981)          | (9,202,975)          |
| (Increase) / Decrease in Trade Receivables                 | 1,214,654            | (3,493,021)          |
| (Increase) / Decrease in Short Term Loans & Advances       | 8,462,800            | (556,505)            |
| (Increase) / Decrease in Other Current Assets              | 20,320,226           | (4,655,626)          |
| (Increase) / Decrease in Current Investments               | (875,000)            | 1,000,000            |
| Increase / (Decrease) in Deferred Income( Current)         | -                    | -                    |
| Increase / (Decrease) in Trade Payables                    | 4,959,179            | (16,230,275)         |
| Increase / (Decrease) in Other Current Liabilities         | 84,889,833           | (138,542,001)        |
| Increase / (Decrease) in Short Term Provisions             | 5,364,470            | (63,234,726)         |
| <b>CASH GENERATED FROM OPERATIONS</b>                      | <b>513,969,167</b>   | <b>200,172,514</b>   |
| Add: Prior Period Expenses                                 | -                    | -                    |
| Less: Income Tax Paid                                      | -                    | -                    |
| <b>CASH GENERATED FROM OPERATING ACTIVITIES</b>            | <b>513,969,167</b>   | <b>200,172,514</b>   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES:</b>                |                      |                      |
| Purchase/Sale of fixed Assets                              | (39,080,979)         | 141,835,135          |
| Capital Work in Progress, Pre-operative Expenses           | 4,074,254            | (63,355,477)         |
| Interest Income  | 1,782,131            | 873,191              |
| (Increase) / Decrease in Long Term Loans & Advances        | (8,868,124)          | (5,905,552)          |
| <b>NET CASH AVAILABLE FROM INVESTING ACTIVITIES</b>        | <b>(42,092,718)</b>  | <b>73,447,297</b>    |
| <b>CASH FLOW FROM FINANCING ACTIVITIES:</b>                |                      |                      |
| Proceeds From Issue of Equity Shares                       | -                    | -                    |
| Proceeds/(Repayment) of Loan                               | (168,488,355)        | 60,486,480           |
| Share Premium and Capital Reserve                          | -                    | -                    |
| Interest Paid  | (338,357,024)        | (355,789,408)        |
| Increase / (Decrease) in Other Long Term Liabilities       | (500,000)            | 310,244              |
| Proceeds/(Repayment) of Membership Fees                    | -                    | -                    |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>               | <b>(507,345,379)</b> | <b>(294,992,684)</b> |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS(I+II+III)</b> | <b>(35,468,930)</b>  | <b>(21,372,873)</b>  |
| Opening Balance of Cash & Cash Equivalents                 | 86,210,792           | 107,583,665          |
| Closing Balance of Cash & Cash Equivalents                 | <b>50,741,862</b>    | <b>86,210,792</b>    |

As per our report of even date  
**for P C N & Associates**  
 (Formerly known as Chandra Babu Naidu & Co)  
 Chartered Accountants  
 FRN:016016S

**M.Chandra Babu**  
 Partner  
 Membership No.227849

PLACE: HYDERABAD  
 DATE :30-05-2018

**for and on behalf of the Board of Directors**  
**COUNTRY CLUB HOSPITALITY & HOLIDAYS LIMITED**

**Y.RAJEEV REDDY**      **Y.SIDDHARTH REDDY**  
 Chairman & Managing Director      Vice-Chairman, JMD & CEO

**K.PHANEENDRA RAO**      **V.SREELATHA**  
 Chief Financial Officer      Company Secretary

## NOTE NO.1: FIXED ASSETS

SLM METHOD Amount in ₹

| PARTICULARS                | GROSS BLOCK<br>AS ON<br>1-4-2017 | ADDITIONS<br>DURING THE<br>YEAR | DELETIONS/<br>ADJUSTMENTS<br>DURING THE<br>YEAR | GROSS BLOCK<br>AS ON<br>31-03-2018 | DEPRECIATION<br>UP TO<br>31-03-2018 | DEPRECIATION<br>DURING THE<br>YEAR | DELETION /<br>ADJUSTMENTS<br>DEP DURING<br>THE YEAR | DEPRECIATION<br>AS ON<br>31-03-2018 | NET BLOCK<br>AS ON<br>31-03-2018 | NET BLOCK<br>AS ON<br>31-03-2017 |
|----------------------------|----------------------------------|---------------------------------|---|------------------------------------|-------------------------------------|------------------------------------|---|-------------------------------------|----------------------------------|----------------------------------|
| <b>Tangible Assets</b>     |                                  |                                 |   |                                    |                                     |                                    |   |                                     |                                  |                                  |
| Land & Site Development    | 434,969,556                      |                                 |   | 434,969,556                        |                                     |                                    |   |                                     | 434,969,556                      |                                  |
| Buildings                  | 7,196,330,726                    | 53,063,325                      |   | 7,249,394,051                      | 1,287,296,437                       | 113,704,322                        |   | 1,401,000,759                       | 5,848,393,292                    | 5,909,034,289                    |
| Furniture & Fixtures       | 299,368,260                      | 1,845,859                       | 68,362,539                                      | 232,851,580                        | 88,453,810                          | 27,583,364                         | 46,001,152  | 70,036,022                          | 162,815,558                      | 210,914,450                      |
| Plant & Machinery          | 522,854,202                      | 7,159,820                       | 12,308,151                                      | 517,705,871                        | 207,677,436                         | 32,631,592                         | 7,715,382   | 232,593,646                         | 285,112,225                      | 315,176,766                      |
| Computers                  | 42,024,496                       | 1,470,148                       | 29,019,971                                      | 14,474,673                         | 36,853,502                          | 4,324,781                          | 29,019,971  | 12,158,312                          | 2,316,361                        | 5,170,994                        |
| Vehicles                   | 7,025,688                        | 2,610,891                       | 1,717,387                                       | 7,919,192                          | 1,570,351                           | 757,813                            | 1,602,480   | 725,684                             | 7,193,508                        | 5,455,337                        |
| <b>Total - A</b>           | 8,502,572,928                    | 66,150,043                      | 111,408,048                                     | 8,457,314,923                      | 1,621,851,536                       | 179,001,872                        | 84,338,985  | 1,716,514,423                       | 6,740,800,500                    | 6,880,721,392                    |
| <b>Previous Year</b>       | 8,695,378,045                    | 23,003,452                      | 215,808,569                                     | 8,502,572,928                      | 1,483,618,296                       | 187,583,395                        | 49,350,155  | 1,621,851,536                       | 6,880,721,392                    | 7,211,759,749                    |
| <b>Intangible Assets</b>   |                                  |                                 |   |                                    |                                     |                                    |   |                                     |                                  |                                  |
| Goodwill                   | 141,816,525                      |                                 |   | 141,816,525                        |                                     |                                    |   | -                                   | 141,816,525                      | 141,816,525                      |
| Software & Development     | 29,025,220                       |                                 | 27,405,394                                      | 1,619,826                          | 27,906,719                          | 512,999                            | 27,405,394  | 1,014,324                           | 605,502                          | 1,118,501                        |
| <b>Total - B</b>           | 170,841,745                      | -                               | 27,405,394                                      | 143,436,351                        | 27,906,719                          | 512,999                            | 27,405,394  | 1,014,324                           | 142,422,027                      | 142,935,026                      |
| <b>Previous Year</b>       | 169,221,919                      | 1,619,826                       |   | 170,841,745                        | 23,059,524                          | 4,847,195                          |   | 27,906,719                          | 142,935,026                      | 146,162,395                      |
| <b>Grand Total - A+B</b>   | 8,673,414,673                    | 66,150,043                      | 138,813,442                                     | 8,600,751,274                      | 1,649,758,255                       | 179,514,871                        | 111,744,379   | 1,717,528,747                       | 6,883,222,527                    | 7,023,656,418                    |
| <b>Total Previous Year</b> | 8,864,599,964                    | 24,623,278                      | 215,808,569                                     | 8,673,414,673                      | 1,506,677,820                       | 192,430,590                        | 49,350,155  | 1,649,758,255                       | 7,023,656,418                    | 7,357,922,143                    |
|                            |                                  |                                 |   |                                    |                                     |                                    |   |                                     |                                  |                                  |
|                            |                                  |                                 |   |                                    |                                     |                                    |   |                                     |                                  |                                  |

## NOTES TO BALANCE SHEET

### NOTE NO. 2 : NON- CURRENT INVESTMENTS

Amount in ₹

| Particulars   | As at<br>31-03-2018  | As at<br>31-03-2017  |
|---|----------------------|----------------------|
| Long Term Investments (At Cost, Un Quoted)                                | 2,396,568,339        | 2,396,568,339        |
| Investment in Equity Shares of Subsidiaries (Non Trade Fully Paid Up)     | 4,890,000            | 4,890,000            |
| Investment in Preference Shares of Subsidiaries (Non Trade Fully Paid Up) |                      |                      |
|   | <b>2,401,458,339</b> | <b>2,401,458,339</b> |
|   |                      |                      |

### NOTE NO. 3 : LONG - TERM LOANS AND ADVANCES

Amount in ₹

| Particulars                            | As at<br>31-03-2018  | As at<br>31-03-2017  |
|--|----------------------|----------------------|
| <b>Unsecured Considered Good</b>       |                      |                      |
| Capital advance                        | 88,300,711           | 91,359,161           |
| Security Deposit                       | 213,819,275          | 201,976,777          |
| Loans and Advances to Related Parties  | 958,124,474          | 959,338,210          |
| Advances given to Subsidiary Companies |                      |                      |
| Other loans And advances               | 13,083,512           | 11,785,700           |
|  | <b>1,273,327,972</b> | <b>1,264,459,848</b> |

### NOTE NO. 4 : CURRENT INVESTMENTS

Amount in ₹

| Particulars                       | As at<br>31-03-2018 | As at<br>31-03-2017 |
|-----------------------------------|---------------------|---------------------|
| Investment-The Saraswat Coop Bank | 25,000              | 25,000              |
| Investment-The Cosmos Coop Bank   | 975,000             | 100,000             |
|                                   | <b>1,000,000</b>    | <b>125,000</b>      |

### NOTE NO. 5 : INVENTORIES

Amount in ₹

| Particulars   | As at<br>31-03-2018 | As at<br>31-03-2017 |
|---|---------------------|---------------------|
| Inventories (at lower of cost & net realisable value) |                     |                     |
| Stores:   |                     |                     |
| Food, Beverages, Smokes & Operating Supplies          | 3,717,012           | 4,873,867           |
| Gifts   | 27,091,556          | 24,443,720          |
|   | <b>30,808,568</b>   | <b>29,317,587</b>   |



**NOTE NO. 6 : TRADE RECEIVABLES**

Amount in ₹

| Particulars  | As at<br>31-03-2018 | As at<br>31-03-2017 |
|--|---------------------|---------------------|
| Receivables outstanding for more than six months from the date they are due for payment<br>Unsecured & Considered Good | 3,139,753           | 1,852,134           |
| Receivables outstanding for less than six months from the date they are due for payment<br>Unsecured & Considered Good | 55,595,518          | 58,097,791          |
|  | <b>58,735,271</b>   | <b>59,949,925</b>   |

**NOTE NO. 7 : CASH AND CASH EQUIVALENTS**

Amount in ₹

| Particulars  | As at<br>31-03-2018 | As at<br>31-03-2017 |
|--|---------------------|---------------------|
| Cash on hand                                       | 6,412,725           | 4,128,468           |
| Balances with banks :                              |                     |                     |
| - Current Accounts                                 | 33,962,942          | 61,017,011          |
| - Fixed Deposits - with maturity of less/more than | 9,101,656           | 19,795,209          |
| Earmarked Accounts                                 |                     |                     |
| - Unpaid Dividend Accounts                         | 1,264,539           | 1,270,104           |
|  | <b>50,741,862</b>   | <b>86,210,792</b>   |

**NOTE NO. 8 : SHORT TERM LOANS AND ADVANCES**

Amount in ₹

| Particulars   | As at<br>31-03-2018 | As at<br>31-03-2017 |
|---|---------------------|---------------------|
| Advance to Suppliers  | 2,496,252           | 2,421,972           |
| Loans and Advances to Employees                                     | 3,134,198           | 3,879,961           |
| Advances Recoverable in Cash or Kind - (Unsecured, Considered Good) | 187,094,746         | 195,429,862         |
| Advances with Statutory Authorities                                 | 56,385,086          | 55,841,287          |
|   | <b>249,110,282</b>  | <b>257,573,082</b>  |

**NOTE NO. 9 : OTHER CURRENT ASSETS**

Amount in ₹

| Particulars                    | As at<br>31-03-2018 | As at<br>31-03-2017 |
|--------------------------------|---------------------|---------------------|
| VAT Receivables                | -                   | 8,723,286           |
| TDS/TCS Receivables            | 9,842,454           | 8,847,298           |
| Prepaid Expenses               | 5,853,628           | 4,946,156           |
| Service Tax Credit Receivables | -                   | 13,499,568          |
|                                | <b>15,696,082</b>   | <b>36,016,308</b>   |

**NOTE NO. 10 : SHARE CAPITAL**

Amount in ₹

| Particulars   | As at<br>31-03-2018 | As at<br>31-03-2017 |
|---|---------------------|---------------------|
| <b>Authorised Capital</b><br>220000000 Equity Shares (Previous Year 220000000 Equity Shares)                      | 440,000,000         | 440,000,000         |
| <b>Issued, Subscribed &amp; Fully Paid up:</b><br>163464735 Equity Shares (Previous Year 163464735 Equity Shares) | 326,929,470         | 326,929,470         |
|   | <b>326,929,470</b>  | <b>326,929,470</b>  |
| <b>Par Value per Share</b>  | <b>2</b>            | <b>2</b>            |

**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            | <b>163,464,735</b> | <b>163,464,735</b> |

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

| Name of the Shareholder | As at<br>31-03-2018 | As at<br>31-03-2017 |
|-------------------------|---------------------|---------------------|
| <b>Y.Rajeev Reddy</b>   |                     |                     |
| - No of Shares          | 106,337,986         | 106,337,986         |
| - % held in the Company | 65.05               | 65.05               |

**NOTE NO. 11 : RESERVES AND SURPLUS**

Amount in ₹

| Particulars   | As at<br>31-03-2018 | As at<br>31-03-2017 |
|---|---------------------|---------------------|
| <b>Capital Reserve</b>                                  |                     |                     |
| As per last year Balance Sheet                          | 305,088,694         | 305,088,694         |
|   | <b>305,088,694</b>  | <b>305,088,694</b>  |
| <b>Securities Premium Account</b>                       | 4,962,471,969       | 4,962,471,969       |
| <b>Revaluation Reserve</b>                              |                     |                     |
| <b>General Reserve</b>                                  | 24,270,350          | 24,270,350          |
| As per last year Balance Sheet                          | 83,300,000          | 83,300,000          |
| Add: Transfer from statement of Profit and Loss account | -                   | -                   |
|   | <b>83,300,000</b>   | <b>83,300,000</b>   |
|   |                     |                     |
|   |                     |                     |

|   |                      |                      |
|---|----------------------|----------------------|
| <b>Surplus:</b>   |                      |                      |
| <b>Surplus in Statement of Profit and Loss</b>  |                      |                      |
| As per last year Balance Sheet  | 896,800,227          | 1,088,072,370        |
| Amount transferred to Retained Earnings in pursuant of Schedule II to The Companies Act, 2013 | (24,625,159)         | (42,167,078)         |
| Add: Current year Profit/(Loss)   | (172,461,029)        | (149,105,065)        |
| Surplus in Statement of Profit & Loss   | 699,714,039          | 896,800,227          |
| <b>Total Reserves and Surplus</b>   | <b>6,074,845,052</b> | <b>6,271,931,240</b> |
|   |                      |                      |

## NOTE NO. 12 : LONG - TERM BORROWINGS

Amount in ₹

| Particulars   | As at<br>31-03-2018  | As at<br>31-03-2017  |
|---|----------------------|----------------------|
| Secured   |                      |                      |
| Term loans From Banks   |                      |                      |
| - Oriental Bank of Commerce Loan  | 71,575,883           | 75,625,613           |
| - Oriental Bank of Commerce Loan<br>(Secured by way of Hypothecation of Land & Buildings)   | 25,379,570           | 30,495,313           |
| - UBI Loan<br>(Secured by way of Hypothecation of Land & Buildings)                         | 353,429,315          | 384,376,130          |
| - Vijaya Bank Loan<br>(Secured by way of Hypothecation of Land & Buildings)                 | 256,160,073          | 282,321,188          |
| - Bank of India Loan<br>(Secured by way of Hypothecation of Land & Buildings)               | 138,972,434          | 157,842,125          |
| - Central Bank Of India-3547734960  | 28,285,527           | 30,178,794           |
| - Central Bank Of India-3547726552<br>(Secured by way of Hypothecation of Land & Buildings) | 394,529,239          | 433,207,806          |
| - Canara Bank<br>(Secured by way of Hypothecation of Land & Buildings)                      | 406,348,751          | 448,470,458          |
| - Saraswat Co Op Bank Loan I  | 74,375,000           | 74,373,860           |
| - Saraswat Co Op Bank Loan II<br>(Secured by way of Hypothecation of Land & Buildings)      | 375,659,464          | 361,249,594          |
| - Cosmos Bank Loan I  | 32,966,928           | 42,940,546           |
| - Cosmos Bank Loan II   | 42,001,365           | 57,482,500           |
| - Cosmos Bank Loan III<br>(Secured by way of Hypothecation of Land & Buildings)             | 189,863,976          | 184,640,567          |
| Unsecured   | 2,389,547,525        | 2,563,204,494        |
| Loans and Advances From Related Parties   |                      |                      |
|   |                      |                      |
| - Country Vacations International Limited - Dubai   | 279,570,866          | 274,402,252          |
| - Country Vacations International Limited - India   | 2,427,401            | 2,427,401            |
| - Maruti Water Park & Entertainment Pvt Ltd   | 1,375,040            | 1,375,040            |
| - Loan from Promoters   | 154,022,159          | 154,022,159          |
|   |                      |                      |
|   | 437,395,466          | 432,226,852          |
|   |                      |                      |
|   | <b>2,826,942,991</b> | <b>2,995,431,346</b> |
|   |                      |                      |
|   |                      |                      |
|   |                      |                      |

**NOTE NO. 13 : DEFERRED TAX LIABILITIES (NET)**

Amount in ₹

| Particulars   | As at<br>31-03-2018 | As at<br>31-03-2017 |
|---|---------------------|---------------------|
| Opening Deferred tax Liability  | 751,328,269         | 672,315,290         |
| Add: Deferred Tax Liability for the year<br>( Due to SLM and WDV Difference ) | 72,120,410          | 79,012,979          |
|   |                     |                     |
|   | <b>823,448,679</b>  | <b>751,328,269</b>  |

**NOTE NO. 14 : OTHER LONG-TERM LIABILITIES**

Amount in ₹

| Particulars      | As at<br>31-03-2018 | As at<br>31-03-2017 |
|------------------|---------------------|---------------------|
| <b>Unsecured</b> |                     |                     |
| Deposits         | 7,481,742           | 7,981,742           |
|                  | <b>7,481,742</b>    | <b>7,981,742</b>    |

**NOTE NO. 15 : TRADE PAYABLES**

Amount in ₹

| Particulars   | As at<br>31-03-2018 | As at<br>31-03-2017 |
|---|---------------------|---------------------|
| Total Outstanding Dues to Micro and Small Enterprises |                     |                     |
| Others  | 163,119,269         | 158,160,090         |
|   | <b>163,119,269</b>  | <b>158,160,090</b>  |

**NOTE NO.16 : OTHER CURRENT LIABILITIES**

Amount in ₹

| Particulars                          | As at<br>31-03-2018 | As at<br>31-03-2017 |
|--------------------------------------|---------------------|---------------------|
| Current Maturities of Long-Term Debt | 345,069,436         | 248,294,430         |
| Advance Received from Customers      | 2,344,076           | 3,906,859           |
| Unpaid Dividends                     | 1,013,596           | 1,265,179           |
| Dues to Statutory Authorities        | 168,444,506         | 154,029,778         |
| Other Liabilities                    | 33,791,536          | 57,963,728          |
| Creditors for Capital Goods          | 8,865,103           | 9,178,445           |
|                                      | <b>559,528,253</b>  | <b>474,638,419</b>  |

**NOTE NO.17 : SHORT-TERM PROVISIONS**

Amount in ₹

| Particulars                                  | As at<br>31-03-2018 | As at<br>31-03-2017 |
|--|---------------------|---------------------|
| Provision for Employee Benefits              |                     |                     |
| - Salaries Payable (Includes Incentives)     | 144,041,427         | 150,929,040         |
| - PF Payable                                 | 8,968,270           | 7,030,939           |
| - ESIC Payable                               | 6,651,597           | 2,868,484           |
| - PT Payable                                 | 6,560,260           | 5,366,017           |
| - Gratuity Payable                           | 39,129,326          | 36,855,400          |
| Others                                       |                     |                     |
| - Consultancy & Professional Charges Payable | 4,635,145           | 3,465,145           |
| - Provision for Expenses                     | 72,317,167          | 70,423,698          |
|  | <b>282,303,192</b>  | <b>276,938,722</b>  |

**NOTE NO. 18 : REVENUE FROM OPERATIONS**

Amount in ₹

| Particulars   | Year Ended<br>31-03-2018 | Year Ended<br>31-03-2017 |
|---|--------------------------|--------------------------|
| <b>Sales of Services</b>  |                          |                          |
| Income from Sale of Membership, Tour Operating Service, Sports & Fitness Services etc., Training/Coaching in recreational activities relating to art, Culture & Sports, Fitness | 826,665,700              | 978,958,921              |
| Income from Hotel, Clubs & Resorts  | 224,555,000              | 223,711,502              |
| - Food & Beverages from Restaurant & Banquets   |                          |                          |
| Annual Room & Maintenance Charges   | 1,302,190,202            | 1,364,010,734            |
| Guest accommodation and Maintenance charges   |                          |                          |
|   | <b>2,353,410,902</b>     | <b>2,566,681,157</b>     |

**NOTE NO. 19 : OTHER INCOME**

Amount in ₹

| Particulars             | Year Ended<br>31-03-2018 | Year Ended<br>31-03-2017 |
|-------------------------|--------------------------|--------------------------|
| <b>Interest Income</b>  |                          |                          |
| - On Deposits with Bank | 1,782,131                | 873,191                  |
| - Miscellaneous Income  | 12,804,340               | 36,328,758               |
|                         | <b>14,586,471</b>        | <b>37,201,949</b>        |

**NOTE NO. 20 : COST OF MATERIAL CONSUMED**

Amount in ₹

| Particulars  | Year Ended<br>31-03-2018 | Year Ended<br>31-03-2017 |
|--|--------------------------|--------------------------|
| Opening Stock of Food & Beverages, Stores and Operating Supplies       | 4,873,867                | 4,774,022                |
| Add: Purchases   | 95,900,363               | 113,184,354              |
| Less: Closing Stock of Food & Beverages, Stores and Operating Supplies | 3,717,012                | 4,873,867                |
|  | <b>97,057,218</b>        | <b>113,084,509</b>       |

**NOTE NO. 21 : EMPLOYEE BENEFIT EXPENSES**

Amount in ₹

| Particulars                             | Year Ended<br>31-03-2018 | Year Ended<br>31-03-2017 |
|---|--------------------------|--------------------------|
| Salaries & Other Benefits               | 921,089,198              | 982,281,157              |
| Contribution to Provident & Other Funds | 16,397,437               | 24,442,151               |
| Staff Welfare Expenses                  | 16,369,952               | 19,706,721               |
|   | <b>953,856,587</b>       | <b>1,026,430,029</b>     |

**NOTE NO. 22 : FINANCE COST**

Amount in ₹

| Particulars            | Year Ended<br>31-03-2018 | Year Ended<br>31-03-2017 |
|------------------------|--------------------------|--------------------------|
| Interest on Term Loans | 338,357,024              | 355,789,408              |
|                        | <b>338,357,024</b>       | <b>355,789,408</b>       |

**NOTE NO. 23 : OTHER EXPENSES**

Amount in ₹

| Particulars                              | Year Ended<br>31-03-2018 | Year Ended<br>31-03-2017 |
|--|--------------------------|--------------------------|
| Upkeep & Service Cost                    |                          |                          |
| - Building Maintenance                   | 3,929,919                | 5,533,064                |
| - Repairs, Maintenance to other assets.  | 6,472,127                | 9,505,942                |
| - Vehicle Maintenance & Running Exp.     | 2,984,763                | 2,530,935                |
| - Other Maintenance                      | 40,639,144               | 55,020,042               |
| Power & Fuel                             | 83,359,907               | 90,954,086               |
| Rent including Lease Rent                | 251,521,266              | 252,516,562              |
| Rates & Taxes                            | 33,484,472               | 36,074,226               |
| Insurance                                | 779,292                  | 1,140,990                |
| Finance Charges                          | 46,313,867               | 52,652,059               |
| Travelling & Conveyance                  | 45,777,618               | 50,297,908               |
| Printing & Stationery                    | 12,687,462               | 21,161,421               |
| Postage, Telegram & Telephones           | 38,860,601               | 57,908,050               |
| Advertisement & Other Marketing Expenses | 223,077,920              | 220,777,958              |
| Other Administrative Expenses            | 77,351,243               | 102,026,657              |
| Legal & Professional Charges.            | 31,312,691               | 27,140,756               |
| Auditors Remuneration Includes           |                          |                          |
| - Audit Fee                              | 500,000                  | 500,000                  |
| - For Taxation Matters                   | 200,000                  | 200,000                  |
| - For Other Services                     | 300,000                  | 300,000                  |
|  | <b>899,552,292</b>       | <b>986,240,656</b>       |

## SIGNIFICANT ACCOUNTING POLICIES

### 1. Corporate Information

Country Club Hospitality & Holidays Limited formerly known as Country Club (India) Limited ('the Company') is a public entity domiciled in India and 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. Its shares are listed on NSE & BSE

### 2. Basis of preparation

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

#### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value;
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share-based payments.

### 2.1 Summary of significant accounting policies

#### I Significant Accounting Estimates and Judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reporting amounts of assets, liabilities, income and expense and disclosures made. Although these estimates are based on management's best knowledge of current events and actions, actual result may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a high degree of judgments are described below:

#### Use of estimation and assumptions

In the process of applying the entity's accounting policies, management had made the following estimation and assumptions that have the significant effect on the amounts recognised in the financial statements.

#### Property, plant and equipment & Intangible Assets

Key estimates related to long-lived assets (property, plant and equipment, mineral leaseholds and intangible assets) include useful lives, recoverability of carrying values and the existence of any retirement obligations. As a result of future decisions, such estimates could be significantly modified. The

estimated useful lives of long-lived assets is applied as per schedule II of Companies Act, 2013 and estimated based upon our historical experience, engineering estimates and industry information. These estimates include an assumption regarding periodic maintenance and an appropriate level of annual capital expenditures to maintain the assets.

#### Impairment of plant & equipment and Intangible assets

The company assesses whether plant & equipment and intangible assets have any indication of impairment in accordance with the accounting policy. The recoverable amounts of plant & equipment and intangible asset have been determined based on value-in-use calculations. These calculations require the use of judgment and estimates.

#### Expected credit loss

Expected credit losses of the company are based on an evaluation of the collectability of receivables. A considerable amount of judgment is required in assessing the ultimate realization of these receivables, including their current creditworthiness, past collection history of each customer and ongoing dealings with them. If the financial conditions of the counterparties with which the Company contracted were to deteriorate, resulting in an impairment of their ability to make payments, additional expected credit loss may be required.

## **II Property, Plant and Equipment**

All items of property, plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Cost includes its purchase price (after deducting trade discounts and rebates), import duties & non-refundable purchase taxes, any costs directly attributable to bringing the asset to the location & condition necessary for it to be capable of operating in the manner intended by management, borrowing costs on qualifying assets and asset retirement costs. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The activities necessary to prepare an asset for its intended use or sale extend to more than just physical construction of the asset. It may also include technical (DPR, environmental, planning, Land acquisition and geological study) and administrative work such as obtaining approvals before the commencement of physical construction.

The cost of replacing a part of an item of property, plant and equipment is capitalized if it is probable that the future economic benefits of the part will flow to the Company and that its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, estimated useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in the profit or loss in the year the asset is derecognized.

Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work in Progress.



## Depreciation

Depreciation is provided on Straight Line Method, as per the provisions of schedule II of the Companies Act, 2013 or based on useful life estimated on the technical assessment.

Leasehold Assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

In respect of additions / deletions to the fixed assets / leasehold improvements, depreciation is charged from the date the asset is ready to use / up to the date of deletion.

Depreciation on adjustments to the historical cost of the assets on account of reinstatement of long term borrowings in foreign currency, if any, is provided prospectively over the residual useful life of the asset.

## III. Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

The company amortizes Computer software using the straight-line method over the period of 3 years

## Financial Assets

Financial assets comprise of investments in equity and debt securities, trade receivables, cash and cash equivalents and other financial assets.

### Initial recognition:

All financial assets are recognised initially at fair value. Purchases or sales of financial asset that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the assets.

### Subsequent Measurement:

#### (i) Financial assets measured at amortised cost:

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost using effective interest rate (EIR) method. The EIR amortization is recognised as finance income in the Statement of Profit and Loss.

#### Impairment of Financial Assets:

Financial assets are tested for impairment based on the expected credit losses.

#### (i) Trade Receivables

An impairment analysis is performed at each reporting date. The expected credit losses over life time of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecasts of future economic conditions. In this approach assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

#### (ii) Other financial assets

Other financial assets are tested for impairment based on significant change in credit risk since initial recognition and impairment is measured based on probability of default over the life time when there is significant increase in credit risk.

## De-recognition of financial assets

A financial asset is derecognized only when:

- The company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset and transferred substantially all risks and rewards of ownership of the financial asset, in such cases the financial asset is derecognized. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is also derecognized if the company has not retained control of the financial asset.

## IV Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

## V Inventories

Construction materials, raw materials, consumables, stores and spares and finished goods are valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.

Construction/Development work-in-progress related to project works is valued at lower of cost or net realizable value, where the outcome of the related project is estimated reliably. Cost includes cost of land, cost of materials, cost of borrowings and other related overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## VI Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less. Deposits with banks subsequently measured at amortized cost and short term investments are measured at fair value through Profit & Loss Account.

## VII Non-current Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of the disposal group, are re-measured in accordance with the Company's accounting policies. Thereafter, the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment losses on initial classification as held for sale or subsequent gain on re-measurement are recognized into net income. Gains are not recognized in excess of any cumulative impairment losses.

## **VIII Financial Liabilities**

### **Initial recognition and measurement**

Financial liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus any directly attributable transaction costs, such as loan processing fees and issue expenses.

### **Subsequent measurement**

The measurement of financial liabilities depends on their classification as follows: -

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

## **IX Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other costs that an entity incurs in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

## **X Employee Benefits**

- Employee benefits are charged to the statement of Profit and Loss for the year and for the projects under construction stage are capitalized as other direct cost in the Capital Work in Progress / Intangible asset under development.
- Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are recognised, when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- Gratuity liability is defined benefit obligations and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re-measurement in case of defined benefit plans gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and they are included in retained earnings in the statement of changes in equity in the balance sheet.
- Compensated absences are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

- The amount of Non-current and Current portions of employee benefits is classified as per the actuarial valuation at the end of each financial year.

## **XI Income Taxes**

Income tax expense is comprised of current and deferred taxes. Current and deferred tax is recognized in net income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income taxes for the current period, including any adjustments to tax payable in respect of previous years, are recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the tax rates that are enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases using the tax rates that are expected to apply in the period in which the deferred tax asset or liability is expected to settle, based on the laws that have been enacted or substantively enacted by the reporting date. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced accordingly to the extent that it is no longer probable that they can be utilized.

Deferred tax assets and liabilities are offset when there is legally enforceable right of offset current tax assets and liabilities when the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the entity has legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## **XII Leases**

### **As a lessee**

Lease of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### **As a lessor**

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

### **Lease-hold land:**

Leasehold land that normally has a finite economic life and title which is not expected to pass to the lessee by the end of the lease term is treated as an operating lease.

The payment made on entering into or acquiring a leasehold land is accounted for as leasehold land use rights (referred to as prepaid lease payments in Ind AS 17 “Leases”) and is amortized over the lease term in accordance with the pattern of benefits provided.

### **XIII Provisions, Contingent Liabilities and Contingent Assets**

#### **Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense and is recorded over the estimated time period until settlement of the obligation. Provisions are reviewed and adjusted, when required, to reflect the current best estimate at the end of each reporting period.

The Company recognizes decommissioning provisions in the period in which a legal or constructive obligation arises. A corresponding decommissioning cost is added to the carrying amount of the associated property, plant and equipment, and it is depreciated over the estimated useful life of the asset.

A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under contract. The provision is measured at the present value of the lower of expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognizes any impairment loss on the assets associated with that contract.

Liquidated Damages / Penalty as per the contracts / Additional Contract Claims under the contract entered into with Vendors and Contractors are recognised at the end of the contract or as agreed upon.

#### **Contingent Liabilities**

Contingent liability is disclosed in case of

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A possible obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company where the probability of outflow of resources is not remote.

#### **Contingent Assets**

Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable

### **XIV Revenue Recognition**

The Company's business is to sell Club ownership, provide holiday facilities, accommodation services, 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 deferred payment basis. Revenue from Membership is 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.

Annual subscription maintenance fee is recognized as income as and when collected. Income from resorts, Income from room rental, travel services food and beverages income etc., is recognized as and when services are rendered.

## **XV Foreign Currency Transactions**

Transactions in foreign currencies are translated to the functional currency of the company, at exchange rates in effect at the transaction date.

At each reporting date monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the date of the statement of financial position.

The translation for other non-monetary assets is not updated from historical exchange rates unless they are carried at fair value.

## **XVI Minimum Alternative Tax (MAT)**

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

## **XVII Earnings per Share**

Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.  
Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:
- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## **NOTES TO THE FINANCIAL STATEMENTS**

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

| <b>S.No.</b> | <b>Name of the Director</b> | <b>Designation</b>           | <b>Remuneration</b> |
|--------------|-----------------------------|------------------------------|---------------------|
| 1            | Mr. Y. Rajeev Reddy         | Chairman & Managing Director | 1,20,00,000         |
| 2            | Mr. Y. Siddharth Reddy      | Vice-Chairman, JMD & CEO     | 36,00,000           |
| 3            | Mr. Y. Varun Reddy          | Vice-Chairman, JMD & COO     | 36,00,000           |

### **25.Particulars relating to managing director**

| <b>Particulars</b>      | <b>Current Year</b> | <b>Previous year</b> |
|-------------------------|---------------------|----------------------|
| Directors' Remuneration | 1,92,00,000         | 96,00,000            |
| 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.  
i) 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

| Particulars        | Current Year | Previous year |
|--------------------|--------------|---------------|
| Subsidiary Company | -            | -             |
| Total Net flow     | -            | -             |

28. There are no dues to SSI Units outstanding for more than 30 days.
29. In accordance with Accounting Standard issued by the ICAI, the Company has accounted for deferred tax and income tax as given below:

| Particulars  | Current Year | Previous year |
|--------------|--------------|---------------|
| Income Tax   | -            | -             |
| Deferred Tax | 7,21,20,410  | 7,90,12,979   |

30. As per Accounting Standard 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<br>b) Bright Resorts Pvt Ltd<br>c) Bush Betta Holiday Ownership Wildlife Adventure Resort Pvt Ltd<br>d) Chanakyapuri Resorts Pvt Ltd<br>e) Country Club Babylon Resorts Pvt Ltd<br>f) Country Vacations International Ltd – Dubai<br>g) Country Vacations International Ltd – India<br>h) International Country Holidays Private Limited<br>(formerly known as Aakruti Engineers Private Limited)<br>i) J.J. Arts & Entertainments Pvt Ltd<br>j) Maruti Waterpark & Entertainments Pvt Ltd<br>k) Swami Vivekanand Training & Education Centre Pvt Ltd<br>l) Swimwel Investment & Trading Pvt Ltd<br>m) Club Arzee Ltd |

|                        |  |
|------------------------|--|
| Step-Down Subsidiaries | a) Country Club & Vacations W.L.L – Qatar<br>b) Country Vacations International Limited – London<br>c) Country Vacations International LLC – Dubai<br>d) Country Vacations International LLC – Oman<br>e) Country Vacations International LLC–Abu Dhabi<br>f) Country Vacations International SDN BHD, Malaysia<br>g) Country Vacations International W.L.L – Bahrain<br>h) Jade Resorts Pvt Ltd<br>i) Kolet Resort Club Pvt Ltd |
| Common Management      | a)Amrutha Estetes Pvt Ltd<br>b)Country Condos' Limited<br>c)Country Vacations International – Dubai<br>d)Zen Garden Hotel Private Limited  |
| Vice-Chairman,JMD&COO  | Y. Varun Reddy   |
| CMD                    | Y. Rajeev Reddy  |
| Director               | Y. Manjula Reddy   |

## B. Transactions during the year with Related Parties

| Nature of Transaction  | Subsidiary Companies including Step-Down Subsidiaries | Associate Companies | Other Related Parties |
|------------------------|---|---------------------|-----------------------|
| Lease Rentals payable  | 15,00,000   | 7,20,000            | 58,20,446             |
| Directors Remuneration | -   | -                   | 1,92,00,000           |
| Brand Ambassador fee   | -   | -                   | 48,00,000             |

## 31. The Basic and Diluted EPS is Calculated as under

| Particulars  | 31st March,2018 | 31st March,2017 |
|--|-----------------|-----------------|
| a) Profit after Tax (₹)  | (17,24,61,029)  | (14,91,05,065)  |
| b) Earnings available to Equity Shareholders for Basic & Diluted EPS (₹) | (17,24,61,029)  | (14,91,05,065)  |
| c) Weighted average Number of Shares taken for computation of EPS        | 16,34,64,735    | 16,34,64,735    |
| - Basic  |                 |                 |
| - Diluted  |                 |                 |
| d) Earning per Share   |                 |                 |
| - Basic  | (1.06)          | (0.91)          |
| - Diluted  | (1.06)          | (0.91)          |
| e) Nominal Value per Share (₹)   | 2               | 2               |



### 32. 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 & Service Tax dues amounting to `23,40,65,627 which belongs to various Assessment Years which has not been deposited on account of disputes.:

### 33. 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 Iakarpur, EROS Regency Township, Surajkund, Faridabad, Harayana. The Outstanding Balance for the Current year is ₹11,03,80,233/- (Previous Year ₹11,50,96,926/-)
- 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 ₹86,53,12,860/- (Previous Year ₹ 85,62,27,443/-).
- 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 `48,00,24,670/- (Previous Year ₹48,29,86,600/-).
- 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 ₹48,17,48,751/- (Previous Year ₹ 46,73,70,458/-).
- 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 ₹7,43,75,000/- (Previous Year ₹ 8,25,29,860/-)
- 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 ₹37,56,59,464/- (Previous Year ₹40,14,86,594/-).
- 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 ₹14,02,67,961/-(Previous Year ₹ 16,40,73,863/-)
- 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 ₹17,96,83,409/- (Previous Year ₹21,45,62,567/-).I)

#### Other Loans

- I) 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 ₹2,71,64,614/- (Previous Year ₹2,71,64,614/-).
34. It is difficult to identify segment wise profitability and Capital Employed considering that infrastructure is common for all the revenue activities of the Company.
35. 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 | 2,70,658 |
| Unpaid Dividend for the year 2012-13 | 2,67,862 |
| Unpaid Dividend for the year 2011-12 | 2,42,514 |
| Unpaid Dividend for the year 2010-11 | 2,32,562 |

36. Previous year's figures have been regrouped wherever necessary.

37. The figures have been rounded off to the nearest rupee.

As per our report of even date

**for P C N & Associates**

(Formerly known as Chandra Babu Naidu & Co)

Chartered Accountants

FRN:016016S

**M.Chandra Babu**

Partner

Membership No.227849

PLACE: HYDERABAD

DATE :30-05-2018

**for and on behalf of the Board of Directors**  
**COUNTRY CLUB HOSPITALITY & HOLIDAYS LIMITED**

**Y.RAJEEV REDDY**

Chairman & Managing Director

**Y.SIDDHARTH REDDY**

Vice-Chairman, JMD & CEO

**K.PHANEENDRA RAO**

Chief Financial Officer

**V.SREELATHA**

Company Secretary

# 27<sup>th</sup> 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):<br>Registered address: |  | E-mail Id:<br>Folio No/<br>Client Id &<br>DP Id: |  |
|---|--|--|--|

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  
1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him  
1) \_\_\_\_\_ 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 27th Annual General Meeting of the Company, to be held on Saturday, 29th September, 2018 at 12.00 Noon 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, 2018   |     |         |
| 2       | To appoint a Director in place of Shri. Y. Varun Reddy, Director who retires by rotation and being eligible offers himself for re-appointment. |     |         |
| 3       | Appointment of Smt. Mamatha Madhavi Venkateshwara Reddy Director of the Company  |     |         |

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

\_\_\_\_\_  
Signature of the Shareholder

Affix a 1 Rupee  
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 '1' 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 joint holders should be stated.

# 27<sup>th</sup> Annual General Meeting

Country Club Hospitality & Holidays Limited

CIN: L70102AP1991PLC012714

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

## ATTENDANCE SLIP

**Date :** 29<sup>th</sup> September, 2018

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

**Time :** 12.00.Noon

| 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 27th Annual General Meeting of the Company held on 29th September, 2018 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** -----

# Country Club Hospitality & Holidays Limited

**CIN: L70102AP1991PLC012714**

Regd. Office: AMRUTHA CASTLE, 5-9-16, SAIFABAD, SECRETARIAT, HYDERABAD, Telangana

Tel: + 040-66848888, Fax: + 040-66360609; E-mail: [contact@countryclubmail.com](mailto:contact@countryclubmail.com),

Website: [www.countryclubindia.net](http://www.countryclubindia.net)

## BALLOT FORM

Ballot Sr. No. \_\_\_\_\_

|   |  |
|---|--|
| 1. Name(s) of Shareholder(s) (in block letters)<br>(including joint holders, if any)  |  |
| 2. Registered address of the Sole/<br>First named shareholder   |  |
| 3. DP ID No./ Client ID No./ Registered Folio No./<br>*(Applicable to investors holding<br>shares in Physical form)   |  |
| 4. Number of shares held  |  |
| 5. I/We hereby exercise my/our vote in respect of the following resolution to be passed through AGM for the business stated in the Notice of the Company by sending my/our assent or dissent to the said resolution by placing the tick ( ) mark at the appropriate box below . |  |

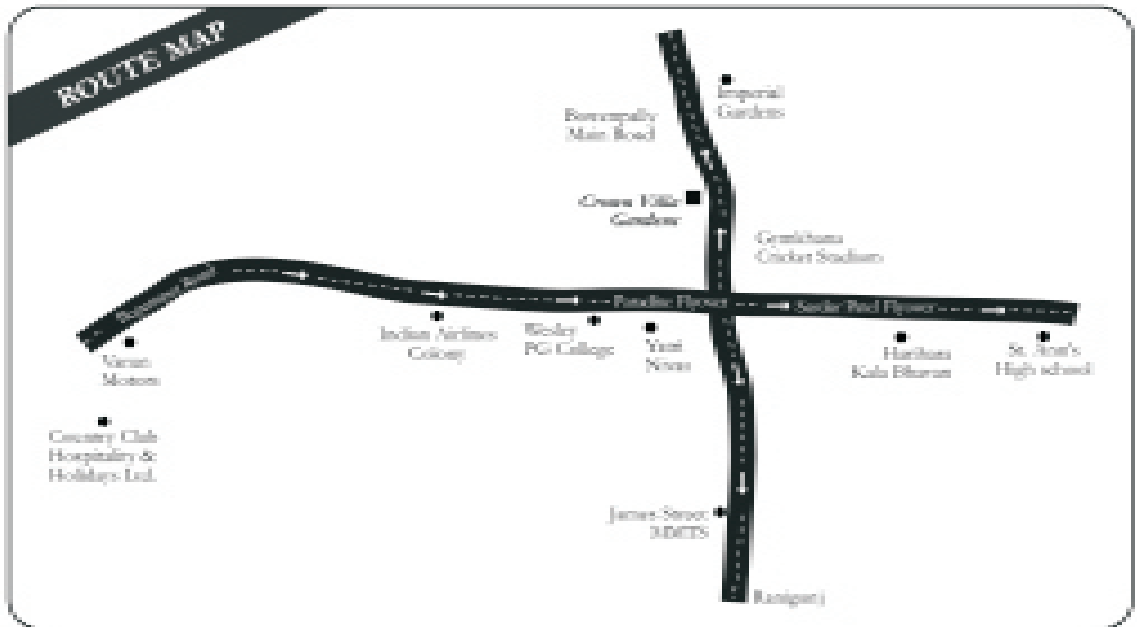
| Sl. No | Description  | Type of Resolution | I/We assent to the resolution | I/We dissent to the resolution |
|--------|--|--------------------|-------------------------------|--------------------------------|
| 1      | Adoption of Financial Statements and Reports thereon for the financial year ended 31stMarch, 2018  | Ordinary           |                               |                                |
| 2      | To appoint a Director in place of Shri. Y. Varun Reddy, Director who retires by rotation and being eligible offers himself for re-appointment. | Ordinary           |                               |                                |
| 3      | Appointment of Smt. Mamatha Madhavi Venkateshwara Reddy Director of the Company  | Ordinary           |                               |                                |

Place:

Date:

\_\_\_\_\_  
Signature of the Shareholder (s)

THIS PAGE HAS BEEN KEPT INTENTIONALLY BLANK



**NO GIFTS / GIFT COUPONS SHALL BE DISTRIBUTED  
TO THE SHAREHOLDERS AT OR IN CONNECTION  
WITH THE ANNUAL GENERAL MEETING**

If undelivered please return to:

**Country Club Hospitality & Holidays Limited**

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



why go anywhere else

[www.countryclub.net](http://www.countryclub.net)