

By 2013, the Indian hotel room market for 10 major cities is estimated to grow from ₹74 billion to ₹119 billion translating to a 17% CAGR.

Supply expected to grow at a CAGR of 15% will surpass the growth in demand, which is estimated to grow at a CAGR of 10.3% during 2010-13.

Across upscale, midscale and economy category of hotels, a total of 24211, 8709 and 3057 additional rooms are expected to become operational by 2013.

We foresee Mumbai, followed by Goa, to be the most attractive hospitality markets in India for the next three years.

Despite a similar quantum of room demand in Mumbai and the NCR in 2013, the size of Mumbai market, at ₹42 billion, will be substantially greater than the NCR market size of ₹28 billion.

This is not an annual report about tangibles: revenue, networth, return on capital employed and the other attractive financials.

This report is about the intangibles: increasing optimism in the domestic hospitality industry and the Country Club experience!

Beautiful properties. Superior amenities. Warm reception. Colourful events.

Two words to describe it all:

customer delight!

Translating into increasing members,
increasing revenues and increasing
locations.

Country Club
is going places!

Our vision

To be world leaders in family clubbing in today's disintegrating society and create a cohesive force in relationship between man and woman; man and nature and man and his environs embedded in current realities and inherit by legacy to the generation next.

Our mission

To deliver experiences that nurture relationships and contribute to a wholesome wellness lifestyles in a stress free, eco-friendly environment to member community with a win-win situation for all involved in furthering the cause of such ecosystems.



going places



Who we are

- Went into business (1989) with the objective to make clubbing accessible and affordable.
- Service-driven organisation of 3500 people.
- Presence of owned and franchised properties across potent geographies.
- Spread across 53 properties (33 owned, 17 associated properties and 3 leased).
- Reinforced by 220-plus Indian and global affiliations (via Country Vacations) and 3900 resorts (via RCI affiliation).
- Multi-location organisation headquartered in Hyderabad (India).
- Industry leader, attractively profit-making and listed on the BSE and MSE.



What we are proud of

- The country's biggest chain of family clubs (recognized by the *Limca Book of World Records*).
- Over 200,000 members comprising 650 corporate clients (Microsoft, Satyam Computers, Global Trust Bank, Brooke Bond Lipton (India) Ltd, CMC Ltd and Dr. Reddy's Laboratories Ltd, among others).
- Strategic zero-interest monthly installment alliances with ICICI Bank, Citibank, Standard Chartered, ICICI Lombard and Birla Sunlife Insurance for interested members.
- Enlistment of Pooja Bedi and Hanif Hilal as brand ambassadors.

What we offer

- Concept hospitality facilities across various Indian locations.
- State-of-the-art health club, multi-cuisine restaurants, business centre, swimming pool and other recreational facilities.
- A comprehensive range of membership products.
- Combination of entertainment with recreation and leisure.
- Unique transferability of membership from one city to another.

Where we are located

■ Ahmedabad ■ Bangalore ■ Bandipur ■ Baroda ■ Chennai ■ Cochin ■ Delhi
■ Goa ■ Hyderabad ■ Hubli ■ Indore ■ Jaipur ■ Kovalam ■ Kolkata
■ Kodaikanal ■ Lucknow ■ Mangalore ■ Mysore ■ Mumbai ■ Pune ■ Surat and Vizag.

Internationally present in: ■ Dubai ■ Kandy (Sri Lanka) ■ Bangkok, among others.



Thematic destinations:

- **Country Club Bandipur:** Wildlife destination in Karnataka offering guided tours of the jungle
- **Country Club International:** First five-star standard club in Sarjapur (Bangalore) offering a 24-hour gym and 'Moksh' spa.
- **Country Club de Goa:** One-stop water sports club along the Anjuna Beach, Goa.
- **Country Club Kovalam:** First-ever floating spa in Kerala.
- **Country Club Golf Village:** Exclusive club across five destinations (two in Bangalore, one in Mumbai, Chennai and Hyderabad).
- **Country Club Mango Grove:** Located in Bangalore.
- **Country Club Coconut Grove:** First major 100% eco-friendly leisure infrastructure project.



Ahmedabad,
Bangalore,
Bandipur,
Baroda,
Chennai,
Cochin,
Delhi, Dubai,
Goa,
Hyderabad,
Hubli, Indore
Jaipur,
Kovalam,
Kolkata,
Kodaikanal,
Lucknow,
Mangalore,
Mysore,
Mumbai,
Pune, Surat,
and Vizag,
Kandy
(Sri Lanka),
Bangkok



milestones

1989

CCIL started its first club in Begumpet, Hyderabad

1995

Completed Hotel Amrutha Castle in Hyderabad

1997

Expanded into Bangalore (second metro)

2000

Entered into Chennai (third metro)

2001

Came to Mumbai (fourth metro)

2002

Adopted a business strategy to enter into multiple genres of tourism.

2005

Enters wildlife with Country Club Bandipur and first international property and foray into leisure infrastructure properties

2007

- CCIL entered Delhi (fifth metro), Ahmedabad (sixth metro) Pune (seventh metro) and Kolkata (eighth metro)

- CCIL launched city Clubs through CK 27 model

- CCIL launched its medical tourism venture through Country Spa

2008

Completed GDR issue/QIP issue

2009

Foray into the Middle East with an international property in Dubai (Bur Dubai)

2010

Entered into the consolidation phase with the acquisition of 3 subsidiaries



From the management's desk

Tourism and hospitality being the largest service sector in the country, contributes around 6.23% to the national GDP and 8.78% of the total employment in the country. The country welcomes around 6 million international visitors every year and nearly 562 million domestic tourists.

Tourism is a significant sector of the Indian economy and contributes significantly to the country's gross domestic product (GDP) and foreign exchange earnings (FEE). The Indian tourism sector is also linked with important sectors such as transportation, infrastructure, and handicraft, which further helps in the growth and development of the country.

The Ministry of Tourism has made various efforts to expand the tourism infrastructure at various destinations in India. These efforts are a judicious blend of traditions, legacy, religion and eco-tourism projects that intend to offer the tourists a holistic experience. India currently holds the 12th position in Asia and 68th position in the list of overall in the list of the world's most attractive tourist destinations, as per the Travel and Tourism Competitiveness Report 2011 by the World Economic Forum (WEF).

The increasing numbers of both domestic as well as international tourists have been very encouraging for the Indian travel and hospitality sector which has nearly doubled during the last three years. The tourism and hospitality industry experienced a healthy growth trend of 24.6% during 2009-10 as compared to 2008-09. The total number of foreign tourists in the country in 2010 was 5.58 million as compared to 5.17 million in 2009, registering a rise of 8.1%, according to the Market Research Division of the Ministry of Tourism.

Growth trends

Tourism and hospitality being the largest service sector in the country, contributes around 6.23% to the national GDP and 8.78% of the total employment in the country. The country

welcomes around 6 million international visitors every year and nearly 562 million domestic tourists.

The Union Ministry of Tourism compiles a monthly estimate on the foreign tourist arrivals (FTAs) and foreign exchange earnings (FEE) based on the total number of foreign visitors in the country. The important trends in the sector for June 2011 based on the report by the Ministry of Tourism are as follows:

- The total number of tourists visiting the country during June 2011 were 0.39 million as compared to 0.37 million during June 2010 and 0.352 million in June 2009.
- A growth of 7.2% has been registered during June 2011 as compared to 4.9% growth in June 2010. Also, the 7.2% growth rate in June 2011 was higher than the observed growth rate of 7.0% in May 2011.
- FTAs during the period January-June 2011 were 2.91 million with a growth of 10.9% as compared to the FTAs of 2.63 million with a growth of 8.9% during January-June 2010 over the corresponding period of 2009.
- FEE during the month of June 2011 were US\$ 1,213 million as compared to FEE of US\$ 1,020 million during the month of June 2010 and US\$ 796 million in June 2009.
- The growth rate in FEE in June 2011 over June 2010 was 18.9% as compared to the growth of 28.1% in June 2010 over June 2009. FEE from tourism during January-June 2011 were US\$ 7,811 million with a growth of 14.2%, as compared to US\$ 6,842 million, with a growth of 36.6% during January-June 2010, over the corresponding period of 2009.

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From the management's desk

Government initiatives

The Government has allowed 100% foreign investment under the automatic route in the hotel and tourism related industry, according to the Consolidated FDI Policy, released by DIPP, Ministry of Commerce and Industry, Government of India. The terms hotel includes restaurants, beach resorts and other tourism complexes providing accommodation and /or catering and food facilities to tourists.

The term tourism related industry includes:

- Travel agencies, tour operating agencies and tourist transport operating agencies
- Units providing facilities for cultural, adventure and wildlife experience to tourists
- Surface, air and water transport facilities for tourists
- Convention/seminar units and organisations

The Government of India has announced a scheme of granting Tourist Visa on Arrival (T-VoA) for the citizens of Finland, Japan, Luxembourg, New Zealand and Singapore. The scheme is valid for citizens of the above mentioned countries planning to visit India on single entry strictly for the purpose of tourism and for a short period of upto a maximum of 30 days.

The government has taken up a number of initiatives to enhance the tourism and hospitality sector performance and profits. Identification and development of 37 destinations within the last

two years, and execution of 600 projects for 300 tourist spots across the country with an investment of over US\$24 million are some projects taken by the Government to boost the travel industry and create awareness for the sector. These efforts have been coupled with monetary assistance from the Central government to the tune of US\$ 5 million and US\$ 10 million, as per the Tourism report by the Gujarat Government.

The Ministry of Tourism under the Marketing Development Assistance (MDA) Scheme has also set up committees to assist and motivate travel tour operators and help them to familiarise with international standards of hospitality. Also, the Government provides financial assistance to travel agents to participate in travel marts and annual conventions for travel and tourism, as per the Annual report by the Ministry of Tourism.

The Uttarakhand State Government has launched 100% tax exemption program to exempt multiplex projects, amusement parks, and other tourist facilities for a period of five years under the Vision 2020 document. On the same lines, Rajasthan has reduced the luxury tax level to 8% from the existing 10% levels. Kerala, Madhya Pradesh, Orissa and Gujarat have entered into Private Public Partnerships (PPP) to promote travel and tourism to attract tourists.

According to the Eleventh Five Year Plan, a total of US\$472 billion is planned to be invested in upgrading and modernising civil amenities like bridges, ropeways, roads, telecom services, ports,



The sector has witnessed a steady growth from four million travelers in 1998 to 11 million in 2008. As expected, the figure is intended to reach a mark of 29 million visitors by 2018.

and other forms of transport as per a report by the Planning Commission.

Industry initiatives

The Indian hospitality sector is expected to see an estimated investment of US\$ 12 billion in the next 2 years, and various new industry initiatives are being taken up. Given the current growth, demand-supply gap and investment norms (100% FDI allowed), the country provides opportunities for International brands to enter India with a long term commitment as stated in a report by the ministry of external affairs.

Medical tourism

India has emerged as the major destination for medical tourists from across the globe. Lower costs combined with effective healthcare therapies have attracted a number of foreign patients. The Indian medical tourism sector valued at US\$ 310 million, currently, receives more than 100,000 foreign patients each year and is expected to reach US\$ 2 billion by 2012. With an annual growth of the sector projected at 30%, the number of medical tourists is anticipated to grow at a CAGR of over 19% during the forecast period to reach 1.3 million by 2013.

To offer superior healthcare services, the government has adopted the Public Private Partnership (PPP) Model to enhance the infrastructure requirements of the sector with the expertise of private sector and better

support of public sector.

Kerala, termed as 'God's Own Country' promises world class hospitals coupled with cost-effective treatments and opportunities for tourists to relax and enjoy. The state has been witnessing a steady growth in the number of foreign nationals visiting the country for procedures like knee replacement, weight reduction surgery, liver transplant, cardiac care, ophthalmic care and dentistry.

Additionally, the Ministry of Tourism is aiming at leveraging India's potential in conventional systems of wellness and medicines, such as Ayurveda, Siddha, and Yoga. The prominent American Association of Physicians of Indian Origin (AAPI) has acknowledged Jaipur as the center of medical tourism.

Hospitality

The Indian Hospitality industry, estimated at US\$ 17 billion, contributes 2.2% of India's GDP. The sector is expected to grow to US\$ 36 billion by the end of 2018. Seventy per cent of the total contribution (US\$ 11.85 billion) comes from the unorganized sector and the remaining 30% (estimated at US\$ 5.08 billion) comes from the organised sector of the hospitality industry.

The industry also witnessed an increase in the number of hotel rooms with a growth of 5% during the last three to four years. In the next two years, a total investment of US\$ 12.17

billion is expected that will add over 20 new international brands in the hospitality sector.

Road ahead

The tourism and hospitality sector report by the Ministry of Tourism suggests that the demands are expected to increase up to US\$ 34.7 billion by the end of 2020. In order to promote this target, the Ministry has already sanctioned the development of 169 rural sites across the country. These sites have been selected based upon their competencies for craft and handloom skills.

Statistics suggest a triple fold increase in the number of tourists visiting the country. The sector has witnessed a steady growth from four million travelers in 1998 to 11 million in 2008. As expected, the figure is intended to reach a mark of 29 million visitors by 2018. There is an opportunity in the inbound MICE sector (meetings, incentives, conventions and events) which has already registered a growth of 15% to 20% during the last five years as stated in the report by the Ministry of Tourism.

Signed

Y Rajeev Reddy

CMD

Just strolling through the Country Club Cochin resort in the mornings and evenings was very relaxing. The trees and backwater made it even more beautiful. The food was delicious. The staff was very good and took good care of us

We have been to quite a few destinations for our holidays, but this was our first time visit to Kerala. It was a fascinating experience at Country Club Rock Springs, Cochin. We were there for 3 days and only once did we leave the resort because everything one requires for a holiday was present in the resort and it was the most beautiful place among all the places we visited in Cochin.

Regards,
Dinesh Kothari
Membership No. 24/0253



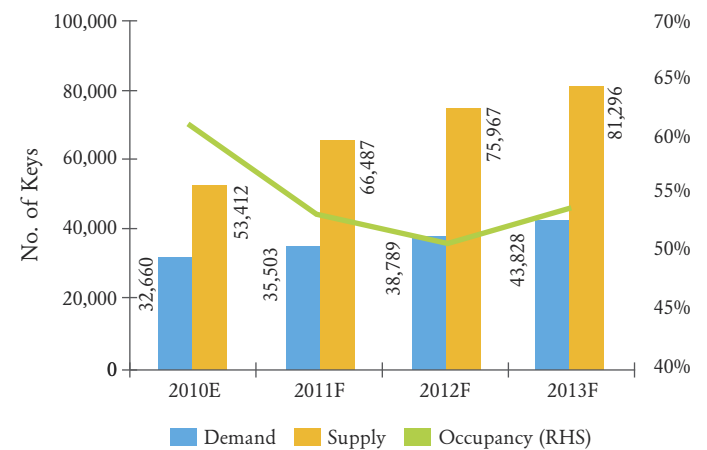
The favourable regulatory environment of the domestic hospitality industry has translated into stakeholder delight at Country Club.

The Department of Tourism, Government of India has initiated a number of steps as listed below:

- Foreign Direct Investment (FDI) allowed in all construction development projects including construction of hotels and resorts, recreational facilities, and city and regional level infrastructure
- Reduction of expenditure tax for upscale hotels
- Introduction of a new category of visa - 'Medical Visa' ('M'-Visa) for Medical Tourism

- Tie-up with the United Nations Development Program (UNDP) to promote rural tourism. The Ministry has also sanctioned 102 rural tourism infrastructure projects to spread tourism and socio economic benefits to identified rural sites with tourism potential
- Plans to permit the issuance of visa-on-arrival by 2009 for persons arriving from specific countries under the pilot project
- Additionally, several incentives have been announced at the Central as well as State levels.

Indian Hospitality Market (2010-13)



Source: Knight Frank Research

I was quite satisfied with the services provided at Country Club Bandipur. Most important of all, was the homely atmosphere that was rendered to us.

Thank You Country Vacations Team for taking the time to talk to me and making sure that everything on my end goes fine, I sincerely appreciate the time you spent to make my family trip comfortable. I greatly appreciate the assistance you have provided me during my stay at CCl.

Thomas & Sarojini Lobo
Membership no. 39/0562

going places



In tandem with guest delight, the external industry dynamics have also paved the way for stakeholder delight!

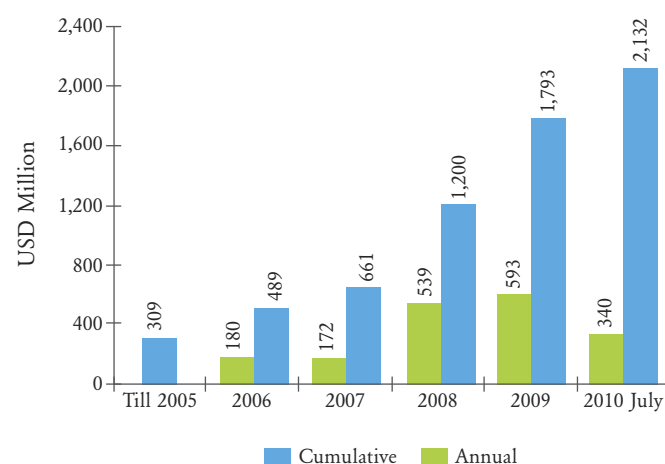
Rising GDP

The Indian economy has been growing at a rate of 9.6% and 9% in 2006-07 and 2007-08 respectively. Despite the slowdown, the GDP growth for 2008-09 is at 7.1%. The hospitality sector is expected to contribute up to 2.2% to the GDP.

Foreign Direct Investment (FDI) Inflow

Of the total FDI inflow between 2000 and 2008, the hospitality sector attracted 1.56%, amounting to US\$ 1.07 billion. The hospitality sector still requires over US\$ 10 billion in the next two to three years for which the Government is relying partly on FDI.

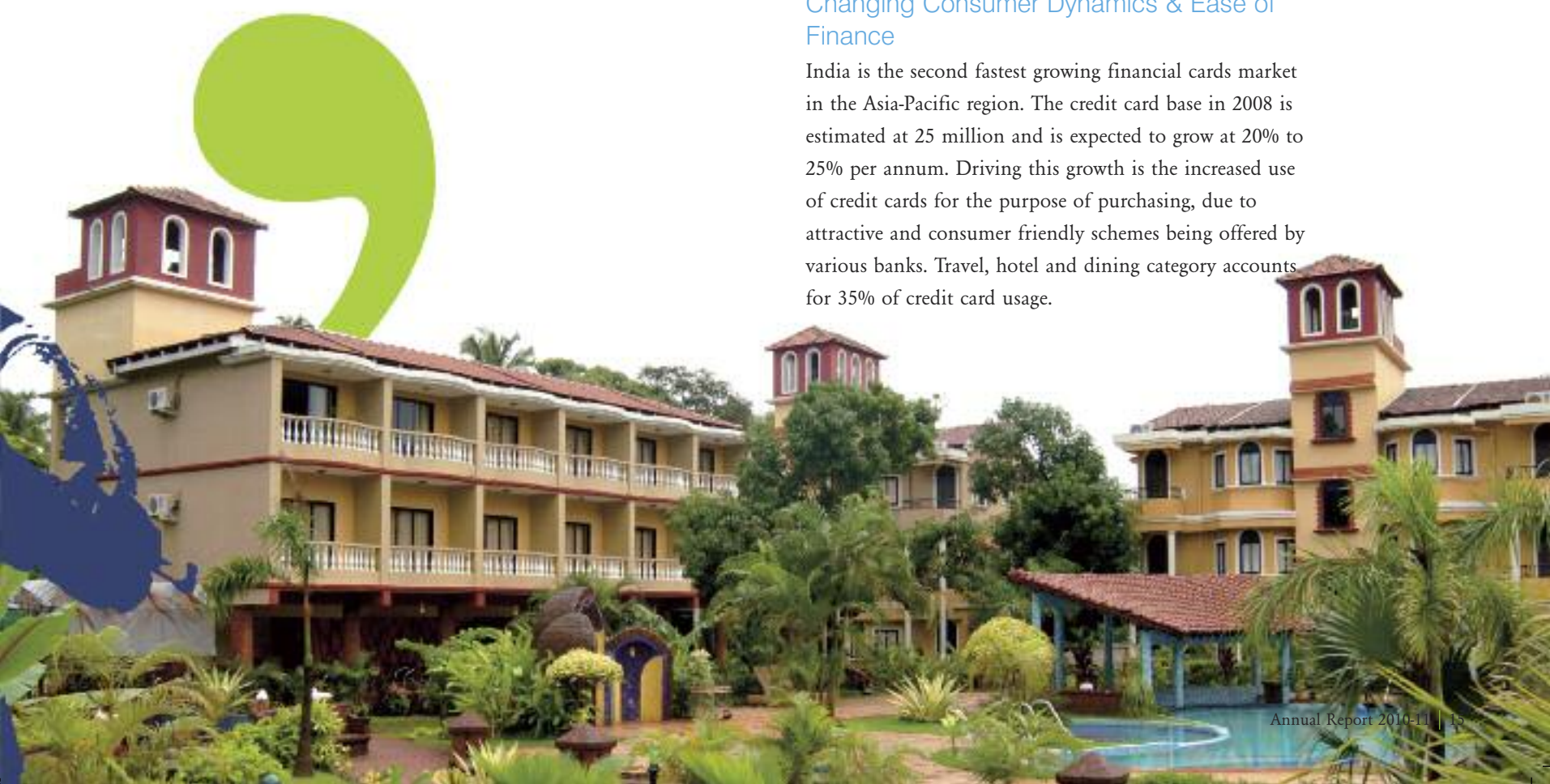
FDI in India – Hotel and Tourism



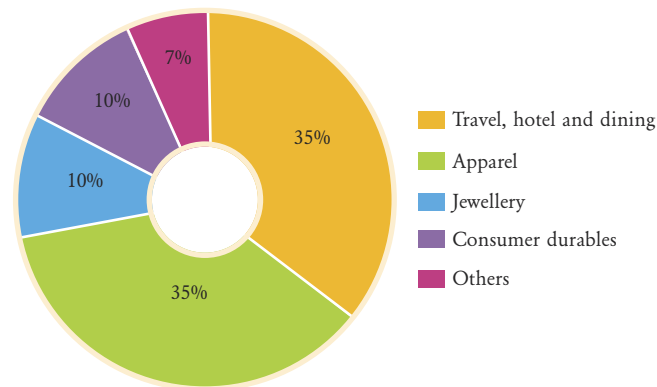
Source: DIPP, Knight Frank Research

Changing Consumer Dynamics & Ease of Finance

India is the second fastest growing financial cards market in the Asia-Pacific region. The credit card base in 2008 is estimated at 25 million and is expected to grow at 20% to 25% per annum. Driving this growth is the increased use of credit cards for the purpose of purchasing, due to attractive and consumer friendly schemes being offered by various banks. Travel, hotel and dining category accounts for 35% of credit card usage.

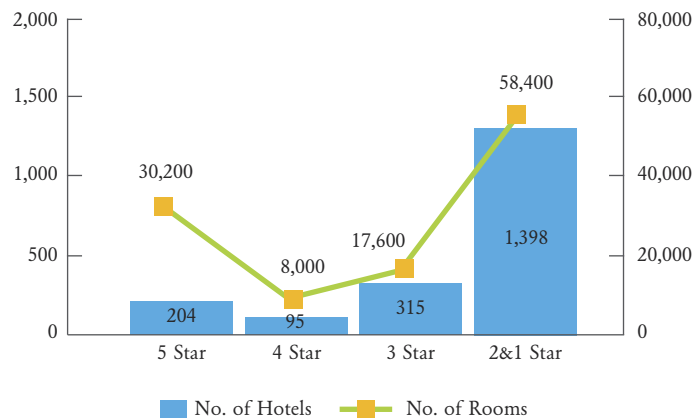


Credit card spends



Source: RBI, Technopark Analysis, Value Retailing - Angel Broking 2008

Current supply of hotel rooms

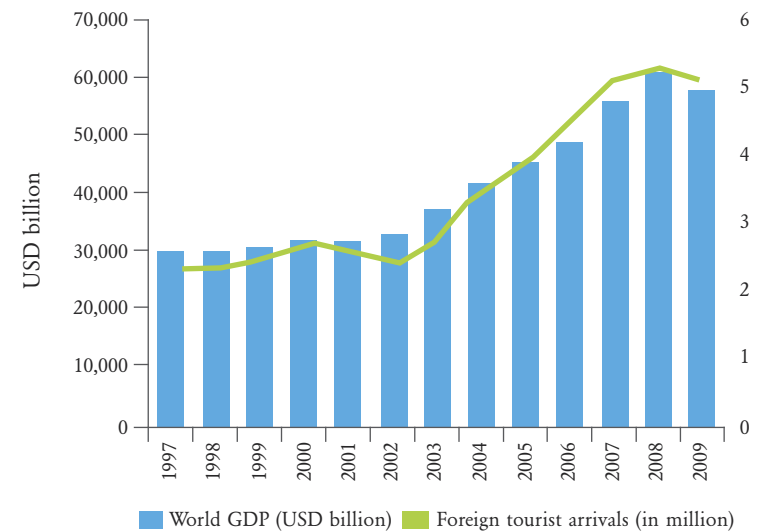


Players like Thomas Cook, Cox & Kings and SOTC have tie-ups with ICICI Bank, CitiBank and Kotak Mahindra Bank to offer “holiday now...pay later” schemes, such as, the Thomas Cook-Citibank Holiday loans. These banks also offer products such as personal loans for the purposes of travel.

Increasing Domestic & International Tourist Arrivals

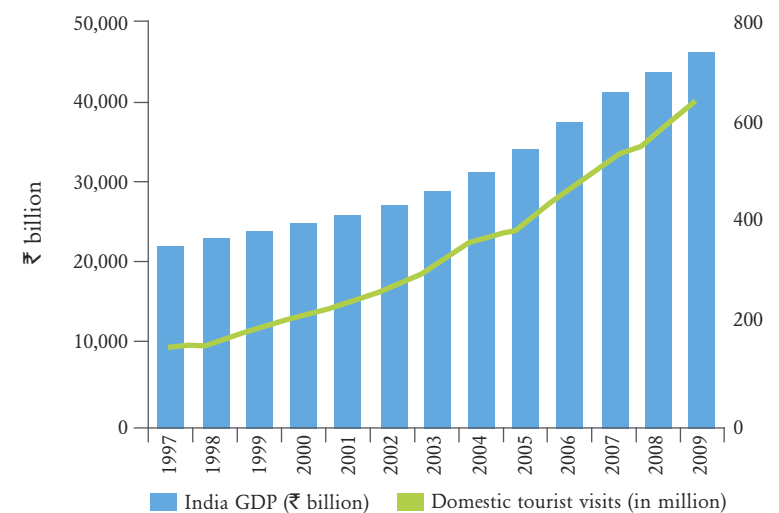
There has been an increase in tourist flow, both domestic as well as international. From 310 million domestic visits in 2003, the number rose to 529 million in 2007, a CAGR of 14%. The Ministry of Tourism’s vision to achieve a level of 760 million domestic visits by the year 2011, with an annual average growth of 12%, has been achieved.

Foreign tourist arrivals in India and World GDP



Source: Ministry of Tourism, IMF, Knight Frank Research

Domestic tourist visits and India GDP

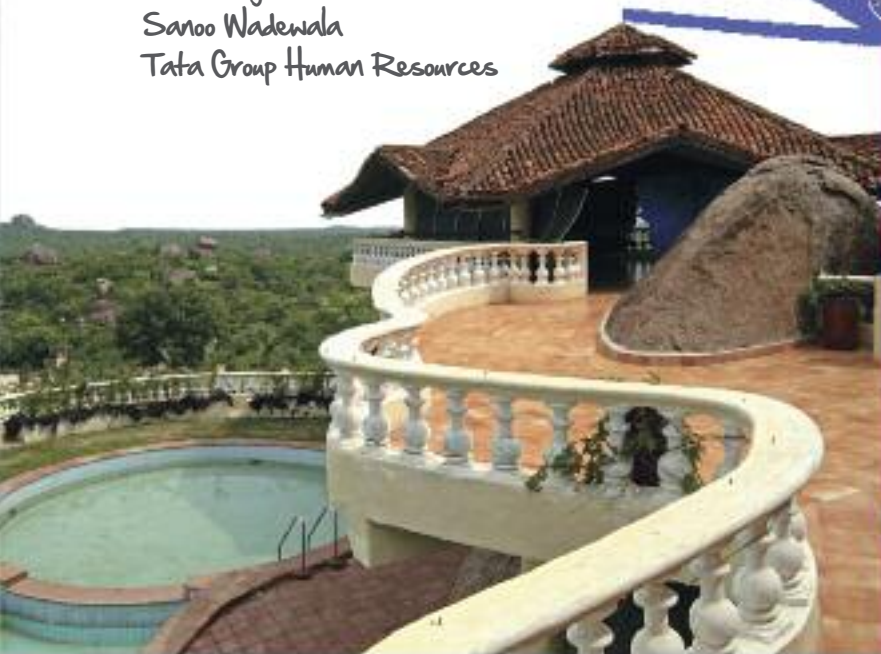


Source: Ministry of Tourism, IMF, Knight Frank Research

"Marriages are made in heaven", and on earth, Country Club makes it possible!

The estruses one undergoes pre marriage is implausible. Confusions on what will be the best venue, menu, decor, doesn't seem to settle till the d-day! CC was no less than a wedding planner for us. Asking them repeatedly the same questions again and again and you always have someone smiling and repeating the same answers with more confidence and vigour! We had a traditional Punjabi Wedding, thus we were at the venue for more than 12 hours. Whether it was 6 PM or 6 AM the staff was up on their toes ready to serve and delight every guest. They were truly an extended part of my family; greeting and making sure all my guests were at ease. The venue has its own charm, after screening almost 50 venues in Mumbai, we could not go beyond Country Club! The food was scrumptious, and so was the feedback from all our guests! I will always remain indebted to CC for making the most important occasion of my life so memorable and unforgettable! Cheers!

Best Regards,
Sanoo Wadewala
Tata Group Human Resources



going places

The internal growth drivers in the hospitality industry are creating more room for future optimism.

Demand-supply imbalance

As per the latest available statistics, India currently has approximately 114,000 hotel rooms spread across the various hotel categories (Exhibit 13) and is facing a shortfall of 156,000 rooms. The impact of this demand and supply gap is felt by way of increased room tariff. In metro cities the room rents have simply sky rocketed. This is especially the case with mid-segment and budget hotel categories that face a large gap in supply.

New avenues of growth

Service apartments, time sharing, fractional ownership, and company hotels or guest houses, have immense potential to grow. Their growth is likely to be due to increased demand of the IT, ITES, BPO, KPO, biotechnology and medical tourism sectors. Heightened awareness of consumers towards their environment has brought into prominence the concept of ‘eco tourism’ and ‘agri-tourism’.

There is an increased flow of people, especially those from the west, to India for medical services. This has also brought into limelight the concept of ‘medical tourism’. The current market for ‘medical tourism’ in India is US\$ 533 million, and is expected to grow to US\$ 3.29 billion by 2018. Diversification holds the key to survival in the long run. The hotel industry isn’t behind. Spas are appearing at hotel properties at a remarkable rate and are becoming independent profit centers. Cafes, lounges and bars which have high profit margins, are increasing their presence in several hotels.

New entrants in the sector

Real Estate Companies: Real estate companies have the bandwidth to invest high amount of capital required by the hospitality industry.

IT Companies: IT and ITeS companies are almost the biggest hospitality clients. The need of accommodating the clients and visitors luxuriously is prompting them to maintain their own accommodation facilities.

Private Equity Firms: Many private equity funds are allocating as much as 50% of their planned real estate investments into the sector as hospitality remains a high under serviced area with a huge demand supply imbalance.

Internal Diversification: Established leaders in various core sectors and at times family owned have diversified into hospitality business on a strong financial backing and an urge to make a mark in this sector.





Corporate Information

Board of Directors

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

Company Secretary : Shri S. Subba Rao

Contacts

Registered Office

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

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
E-mail: info@arthiconsultants.com

Auditor

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

Banker

Axis Bank Limited,
Hyderabad
ICICI Bank Limited,
Hyderabad

Listed on

Equity : Bombay Stock Exchange Limited, Mumbai
Madras Stock Exchange Limited, Chennai

Book Closure Dates: 26th September, 2011 to 30th September, 2011 (Both days inclusive)



NOTICE is hereby given that the 20th Annual General Meeting of the members of M/s. Country Club (India) Limited will be held on Friday, 30th September, 2011 at 11.00 am. at Shri Agrasen Bhavan, # 149, Brig, Sayeed Road, Sappers Line, Paradise, Secunderabad - 500 003 to transact the following businesses:

Ordinary business:

1. To receive, consider and adopt the audited profit & Loss Account for the year ended 31st March 2011 and the audited Balance Sheet as on that date together with the Schedules thereto and the Reports of the Auditors and Directors thereon.
2. To declare a dividend on Equity shares of the Company.
3. To appoint a Director in place of Shri D. V. Krishnam Raju, Director who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Smt Y. Manjula Reddy, Director who retires by rotation and being eligible offers herself for re-appointment.
5. 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 224 of the Companies Act, 1956, M/s. P. Murali & Co., Chartered Accountants, Hyderabad (Registration No. 007257S) be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, at such remuneration, plus service tax as applicable and reimbursement of actual out of pocket expenses as may be incurred in the performance of their duties, as the Audit Committee or Board of Directors may fix in this behalf".

Special business:

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

"RESOLVED THAT pursuant to the provisions of Sections 81(1), 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or enactment thereof, for the time being in force) and pursuant to the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations") as are in force and subject to all other applicable rules, regulations, notifications and circulars of the Securities and Exchange Board of India ("SEBI"), the applicable provisions of Foreign Exchange Management Act, 1999 ("FEMA"), rules, regulations, guidelines, notifications and circulars issued under FEMA including but not limited to Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, provisions of Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with Stock Exchange (s) where the shares of the Company are listed, and subject to requisite approvals, consents, permissions and/or sanctions of SEBI, the Stock Exchange (s), Reserve Bank of India ("RBI"), the Department of Industrial Policy and Promotion, Ministry of Commerce, the Foreign Investment Promotion Board ("FIPB"), and all other authorities as may be required, whether in India or outside India, (hereinafter collectively referred to as "Appropriate Authorities"), and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction (hereinafter referred to as "Requisite Approvals"), which may be agreed to in this regard by the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any Committee constituted/to be constituted by the Board to exercise its powers conferred by this Resolution), consent of the Company be and is hereby accorded to the Board of Directors of the Company to create, offer, issue and allot in one or more tranches, in the course of domestic/international offerings to one or more persons as the Board may determine at its absolute discretion, whether or not they are members of the Company, including but not limited to Domestic Investors/Foreign

Investors whether having presence in India or not /Institutional Investors/Foreign Institutional Investors, Members, Employees, Non-Resident Indians, Companies or Bodies Corporate whether incorporated in India or abroad, Trusts, Mutual Funds, Banks, Financial Institutions, Venture Capital Funds, Foreign Venture Capital Investors, State Industrial Development Corporations, Insurance Companies, Pension Funds, Individuals or otherwise, whether shareholders of the Company or not, through a Follow on Public Issue, Rights Issue, with or without an over-allotment option, with or without reservation on firm and/or competitive basis of such part of the issue for such person or categories of persons as may be permitted, equity shares and/or equity shares through depository receipts including Global Depository Receipts ("GDRs") and/or American Depository Receipts ("ADRs") and/or Foreign Currency Convertible Bonds ("FCCBs") and/or any Securities convertible into equity shares at the option of the Company and/or holder(s) of the Securities and/or Securities linked to equity shares and/or Securities with warrants including any instruments or Securities representing either equity shares and/or Foreign Currency Convertible Bonds or Convertible Securities or Securities linked to equity shares / fully convertible debentures/partly convertible debentures or any Securities other than warrants, which are convertible or exchangeable with equity shares at a later date, to Qualified Institutional Buyers ("QIBs") under Chapter VIII of the SEBI ICDR Regulations or a combination of the foregoing (hereinafter collectively referred to as "Securities"), secured or unsecured, listed on any stock exchange inside India or any international stock exchange outside India, through an offer document and/or prospectus and/or offer letter and/or offering circular and/or information memorandum and/or any other offering document(s) including an umbrella or shelf offering document, and/or listing particulars, as the Board in its sole discretion may at any time or times hereafter decide, for an amount not exceeding **USD 150 Million (US dollars One Hundred and Fifty Million only)** inclusive of such premium from time to time as may be determined by the Board of Directors and as permitted by the prescribed authorities, such issue and allotment to be made at such time or times in one or

more tranches, denominated in one or more currencies, at such price or prices as may be determined by book built process or any other process, at a discount or premium to market price or prices in such manner and where necessary in consultation with the Lead Managers and/or Underwriters and/or Stabilizing Agents and/or other Advisors or otherwise on such terms and conditions as the Board may, in its absolute discretion, decide at the time of issue of Securities or on any other date considering the prevalent market conditions and other applicable laws/factors in this regard.

RESOLVED FURTHER THAT the equity shares to be so allotted shall be subject to the Memorandum of Association and Articles of Association of the Company and shall rank *pari passu* in all respects with the existing equity shares of the Company including rights in respect of dividend.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue, transfer or allotment of equity shares, the Board be and is hereby authorized to do all such acts, deeds, matter and things, as it may at its discretion deem necessary or desirable for such purpose, including without limitation to determine the terms of the Issue, including the class of investors to whom the equity shares are to be allotted, the number of equity shares to be allotted in each tranche, issue price, premium/discount to the then prevailing market price, amount of issue, discount to issue price to a class of investors (such as retail public, employees and existing shareholders), flexibility of part payment at the time of application by a class of investors (such as retail public, employees and existing shareholders), including through Application Supported by Blocked Amount (ASBA), and payment of balance amount on allotment of shares, exercise of a green-shoe option, if any, listing on one or more stock exchanges in India or abroad as the Board in its absolute discretion deems fit and to do all such acts, deeds, matters and things and execute such deeds, documents and agreements, as it may, in its absolute discretion, deem necessary, proper or desirable, and to settle or give instructions or directions for settling any questions, difficulties or doubts that may arise in regard to a public issue, and the transfer, allotment and utilization of the issue proceeds, and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions, as it may, in its absolute discretion, deem fit and proper in the best interests of the Company, without

requiring any further approval of the members and that all or any of the powers conferred on the Company and the Board vide this resolution may be exercised by the Board or by any Committee of the Board thereof or by the Managing Director of the Company, or any Director(s) or Officers of the Company as the Board may constitute/authorize in this behalf.

RESOLVED FURTHER THAT over subscription to the extent of 10% of the Issue be retained for the purpose of rounding off while finalizing the basis of allotment, and the number of shares as specified above, be increased for such allotment.

RESOLVED FURTHER THAT for the purpose of giving effect to any or all of the foregoing, the Board or any Committee thereof, duly constituted by the Board, be and is hereby, authorized to prescribe and finalise the Offer Document, Form of Application in respect of such further Securities, appoint Lead Manager(s)/Book-running Lead Manager(s), Registrars, Bankers, Printers, Advertising Agencies, and other intermediaries as specified in the applicable laws, rules, regulations and guidelines, for the time being in force, and do all such acts, deeds and things as it may, in its sole discretion, deem necessary and settle any or all matters arising with respect to the issue, allotment and utilization of the proceeds of the issue of Securities, and further do all such acts, deeds and things and finalise and execute all such deeds, documents, agreements and writings, as may be necessary for the purpose of giving effect to the resolution.

RESOLVED FURTHER THAT the Board or any Committee thereof, duly constituted by the Board, be entitled to vary, modify, or alter any of the foregoing terms and conditions to conform to those as may be approved by the SEBI, RBI or any other appropriate authorities and departments.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board or any Committee thereof, duly constituted by the Board, be and is hereby, authorized to do all such things as necessary to the issue and allotment of the said Securities/Equity Shares, and to take such action or give such directions as may be necessary or desirable, and to accept any modifications in the proposal and terms of the issue, including the price of the Equity Shares to be so issued, as may be considered necessary by the Board or any Committee thereof, duly constituted by the Board, or as may be prescribed in granting approvals to the Issue and which may be

acceptable to the Board or any Committee thereof, duly constituted by the Board, and to decide the Basis of Allocation and settle any question or difficulty that may arise in regard to the Issue and Allotment of the New Equity Shares or Securities".

Item # 7:

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 read with schedule XIII to the Companies Act 1956, consent of the Company be and is hereby accorded for the re-appointment of Mr. Y. Rajeev Reddy as the Chairman & Managing Director for a further period of 5 (Five) Years with effect from 1st April, 2011, made by the Board of Director's in their meeting held on 14th February 2011 on the following terms and conditions, be and is hereby approved and ratified:

1. Salary of ₹3,00,000 (Rupees three lakh only) per month. This includes dearness allowance and all other allowances not otherwise specified herein.
2. In addition, the Mr. Y. Rajeev Reddy will be entitled to the following:
 - ii. **Brand ambassador fee:** He shall be paid ₹4,00,000 (Rupees four lakhs only) per month for acting as a Brand Ambassador of the Company for the promotion of the memberships and products of the Company.
 - ii. **Perquisites** as under not exceeding ₹50,000 per month:
 - a) Housing: Rent-free accommodation will be provided to him from whom 10 per cent of his salary shall be recovered. In case no accommodation is provided by the Company, house rent allowance at 60% of the salary shall be paid. In addition, he shall be allowed free use of the Company owned furniture and other consumable durables if required.
 - b) The expenditure incurred by him for gas, electricity, water and furnishings shall be reimbursed by the Company.
 - c) All medical expenses incurred by him for self and family shall be reimbursed
 - d) Leave travel concession for him and for his

family will be allowed once in a year as may be decided by the Board.

- e) Fees of clubs subject to maximum of two clubs. This will not include the admission and life membership fees.
 - f) Personal accident insurance – the premium of which shall not exceed ₹10,000 per annum.
 - g) Contribution to the provident fund, superannuation fund, annuity fund to the extent the same are not taxable under the Income Tax Act.
 - h) Provision of car with driver for use of the Company's business and telephone at the residence.
- iii. **Commission:** He shall be paid performance-based commission up to five (5) percentage (including salary and brand ambassador fee and perquisites hereafter stated) of the Net Profits of the Company calculated in accordance with Section 349 and Section 350 of the Companies Act, 1956 for each financial year commencing from 1st April, 2011

Overall Remuneration:

The aggregate of the salary, Commission, perquisites and other emoluments in any financial year shall not exceed the limits prescribed from time to time under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act, as may for the time being be in force

Minimum Remuneration:

In case of loss or inadequacy of profits in any financial year during the currency of tenure of his service, the payment of salary, commission and perquisites shall be governed by the limits prescribed under Section II of Part II of Schedule XIII to the Companies Act, 1956.

Revision in Remuneration:

The remuneration payable to Mr. Y. Rajeev Reddy, as Chairman & Managing Director shall be subject to revision, from time to time (annually and / or otherwise), by the Board of Directors of the Company at their discretion”.

Item # 8:

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

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 read with schedule XIII to the Companies Act 1956, consent of the Company be and is hereby accorded for the re-appointment of Mr. Y. Varun Reddy as Joint Managing Director, Vice-Chairman and Chief Operating Officer for a period of 5 (Five) Years with effect from 1st August, 2011, made by the Board of Director's in their meeting held on 15th May 2011 on the following terms and conditions, be and is hereby approved and ratified:

1. Salary of ₹2,50,000 (Rupees two lakhs fifty thousand only) per month. This includes dearness allowance and all other allowances not otherwise specified herein
2. In addition Mr. Y. Varun Reddy will be entitled to the following:
 - i. Perquisites as under not exceeding ₹25,000 per month:
 - a) Housing: Rent-free accommodation will be provided to him from whom 10 per cent of his salary shall be recovered. In case no accommodation is provided by the Company, house rent allowance at 60% of the salary shall be paid. In addition, he shall be allowed free use of the Company owned furniture and other consumable durables if required.
 - b) The expenditure incurred by him for gas, electricity, water and furnishings shall be reimbursed by the Company.
 - c) All medical expenses incurred by him for self and family shall be reimbursed.
 - d) Leave travel concession for him and for his family will be allowed once in a year as may be decided by the Board.
 - e) Fees of clubs subject to maximum of two clubs. This will not include the admission and life membership fees.
 - f) Personal accident insurance – the premium of which shall not exceed ₹10,000 per annum.
 - g) Contribution to the provident fund, superannuation fund and annuity fund to the extent the same are not taxable under the Income Tax Act.
 - h) Provision of car with driver for use of the Company's business and telephone at the residence.

Commission: He shall be paid performance-based commission up to two and half percentage (2.5%)(including salary and perquisites hereafter stated) of the Net Profits of the Company calculated in accordance with Section 349 and Section 350 of the Companies Act, 1956 for each financial year commencing from 1st April, 2011.

Overall Remuneration:

The aggregate of the salary, Commission, perquisites and other emoluments in any financial year shall not exceed the limits prescribed from time to time under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act, as may for the time being be in force.

Minimum Remuneration:

In case of loss or inadequacy of profits in any financial year during the currency of tenure of his service, the payment of salary, commission and perquisites shall be governed by the limits prescribed under Section II of Part II of Schedule XIII to the Companies Act, 1956.

Revision in Remuneration:

The remuneration payable to Mr. Mr. Y. Varun Reddy, as Vice-Chairman & Jt. Managing Director and COO shall be subject to revision, from time to time (annually and / or otherwise), by the Board of Directors of the Company at their discretion.”

For Country Club (India) Limited

Place : Hyderabad
Date : 01/09/2011

Y. Rajeev Reddy
Chairman &
Managing Director

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF OR HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE AT LEAST 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. The Register of members and Share Transfer Books of the Company will remain closed from 26th September, 2011 to 30th September, 2011 (both days inclusive).
3. Voting is by show of hands unless a poll is demanded by a member or members present in person, or by proxy, holding at least one-tenth of the total shares entitled to vote on the resolution, or by those holding paid-up capital of at least ₹50,000. A proxy shall not vote except on a poll
4. Dividend, if declared, will be paid (i) to all the beneficial owners in respect of shares held in electronic form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of the business hours on 25th September, 2011. Dividend warrants are scheduled to be posted on or after 05th October, 2011, i.e. within 30 days of declaration of dividend in the 20th AGM. Dividend warrant is valid for payment by the Company's bankers for six months from the date of issue. Thereafter, you may contact our Registrar and Share Transfer Agent i.e. M/s. Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad 500 029, for revalidation of the warrants.
5. You are advised to encash your dividend warrants immediately as the dividend amount remaining unclaimed/unpaid at the expiry of seven years from the date that becomes due for payment are required to be transferred by the company to the Investor Education and Protection Fund under Section 205C in terms of Section 205A of the Companies Act, 1956. The due date for transfer of unpaid dividend amount

to the Investor Education and protection Fund (IEPF) of the Financial Year 2006 - 07 is 03rd November, 2014, For Financial Year 2007 - 08 is 09th October, 2015 and For Financial Year 2008 - 09 is 04th November, 2016. For the financial year i.e. 2009 - 10 is 04th November, 2017 For the current financial year i.e. 2010 - 11 is 04th November, 2018 is the due date for the transfer of unpaid dividend amount to the Investor Education and Protection Fund subject to the approval of the members of the Company.

6. Payment of Dividend through Electronic Clearing Services (ECS).

The Securities and Exchange Board of India (SEBI) has advised the Companies to mandatory use ECS facility, wherever available, for distributing dividends or other cash benefits etc, to the investors. This facility provides instant credit of dividend amount to your Bank account electronically at no extra cost. ECS also eliminates the delay in postal transit and fraudulent encashment of warrants.

Under this facility the amount of dividend payable to you would be directly credited to your bank account. Your bank's branch will credit your account and indicate the credit entry as 'ECS' in your pass book / statement account. We would be issuing an advice to you directly after the transaction is effected.

In case you wish to have your dividends paid through ECS, and are holding the Company's shares in electronic form, you may kindly fill in the enclosed ECS mandate form and submit it to your Depository Participant. However, in case you are holding the Company's Share in physical form and wish to have your future dividends paid through ECS, you may kindly return the said ECS mandate form duly completed and signed by you at our Share Transfer Agent mentioned elsewhere in this report.

If you do not wish to opt for ECS facility, we strongly recommend to provide the details of your Bank's Name, Branch, type of Account and Account Number to your depository participant, in cases where shares are held in electronic form, and to us in cases where shares are held in physical form for printing the same on the dividend warrants which will be dispatched to you. In the event of any change or correction in the

details provided earlier, kindly send revised particulars to your Depository Participants or to us as the case may be, at an early date.

7. It may be noted that no claim will be entertained against the Company or the Investor Education and Protection Fund in respect of the said unclaimed dividend amount transferred to the fund.
8. Members who hold shares in dematerialized form are requested to write their client ID and DP ID. Those who hold shares in physical form are required to write their Folio Number in the Attendance slip for attending the meeting.
9. Members holding shares in physical form are requested to notify/send any change in their address to the Company's share transfer agents, or to the Company at its Registered Office.
10. Members holding shares in dematerialisation form are requested to notify/send any changes in their address to the concerned depository participant (s).
11. 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.
12. 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.
13. Section 109A of the Companies Act, 1956 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders willing to avail this facility may make nomination in Form 2B. 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.
14. 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.
15. Pursuant to the requirement of Corporate Governance code under the Listing Agreement entered into by the Company, the information about the Directors proposed to be appointed/re-appointed is given in the Annexure to this Notice.

Explanatory Statement

[Pursuant to Section 173(2) of the Companies Act 1956]

Item # 6: Approval for Further Issue of Securities

The Company is planning expansion programme and finance the capital expenditure in respect of expansion, general corporate expenditure requirements, etc., it is proposed to create, issue, offer, allot equity shares and/or equity shares through depository receipts including Global Depository Receipts ("GDRs") and/or American Depository Receipts ("ADRs") and/or Foreign Currency Convertible Bonds ("FCCBs") and/or any Securities convertible into equity shares at the option of the Company.

As per Section 81 of the Companies Act, 1956 issue of further shares to any person other than the existing shareholders of the Company requires approval of the members by way of Special resolution. So your Directors propose the above resolution for your approval.

None of the Directors is interested in the above resolution except to the extent to which they may participate in the proposed issue.

Item # 7: Re-appointment of Mr. Y. Rajeev Reddy as the Managing Director and Chairman of the Company.

The tenure of Shri Y. Rajeev Reddy as Managing Director and Chairman has expired on 31-03-2011, Shri Y. Rajeev Reddy is a Promoter Director and presently acting as a Chairman and Managing Director of the Company. Since inception, he steered the Company with total dedication, hard work and effective leadership into diversified activities, resulting in the profitable growth of the Company's operations. Further he is a brand ambassador of the Company and has been the face of the Company since its inception. In order to avail his uninterrupted services to the Company, Board of Directors decided to re-appoint him for a further period of 5 years with effect from 1st April, 2011 on the existing terms and conditions in order to avail his un-interrupted services to the Company. Remuneration committee has approved the said proposal. Re-appointment of Shi. Y. Rajeev Reddy requires the approval of members as per the provisions of the Companies Act 1956. Hence the above resolution is submitted to the meeting for members' approval.

The explanatory statement together with the accompanying notice may be treated as an abstract of the terms of remuneration payable to Sri Y. Rajeev Reddy pursuant to Section 302 of the Companies Act, 1956.

The Directors namely Sri. Y. Rajeev Reddy, Sri Y. Varun Reddy, Smt. Y. Manjula Reddy, Sri Y. Siddharth Reddy are interested in this Resolution.

Item # 8: Re-appointment of Mr. Y. Varun Reddy as the Joint Managing Director, Vice-Chairman and Chief Operating Officer of the Company.

The tenure of Mr. Y. Varun Reddy as Joint Managing Director, Vice-Chairman and chief operating officer of the Company comes to an end on 31st July 2011. He is a young, energetic and dynamic person and taking care of overall supervision of marketing operations of the Company.

Board of Director's reviewed his performance and resolved to re-appoint him for a further period of 5 years with effect from 1st August 2011 on the existing terms and conditions in order to avail his un-interrupted services to the Company. Remuneration committee has approved the said proposal. Re-appointment of Shri. Y. Varun Reddy requires the approval of members as per the provisions of the Companies Act 1956. Hence the above resolution is submitted to the meeting for members' approval.

The explanatory statement together with the accompanying notice may be treated as an abstract of the terms of remuneration payable to Sri Y. Varun Reddy pursuant to Section 302 of the Companies Act, 1956.

The Directors namely Sri Y. Rajeev Reddy, Sri Y. Varun Reddy, Smt. Y. Manjula Reddy, Sri Y. Siddharth Reddy are interested in this Resolution.

Additional information

(As per Clause 49 of the Listing Agreement)

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

- | | |
|-----------------------------|--|
| 1. Name | : Shri D. V. Krishnam Raju |
| Age | : 60 Years |
| Qualification | : Under graduate |
| Expertise | : Vast experience in business administration |
| Other Directorships | : Nil |
| Shareholding in the Company | : Nil |
| 2. Name | : Smt Y. Manjula Reddy |
| Age | : 51 Years |
| Qualification | : MA and MBA |
| Expertise | : Vast experience in management, administration, fashion and interior designing. |
| Other Directorships | : 6 |
| Shareholding in the Company | : 66,47,125 (7.42%) |
| 3. Name | : Shri Y. Rajeev Reddy |
| Age | : 54 years |
| Qualification | : B.Com. (Hons) |
| Expertise | : Vast Experience in Hospitality Industry, Management and administration |
| Other Directorships | : 14 |
| Shareholding in the Company | : 3,35,37,386 (37.49%) |
| 4. Name | : Shri. Y. Varun Reddy |
| Age | : 25 Years |
| Qualification | : BA (Eco), B.A (Corporate Communication) |
| Expertise | : Marketing and corporate communication |
| Other Directorships | : 10 |
| Shareholding in the Company | : 20,81,000 (2.33%) |



Directors' Report

To
The Members of
M/s. Country Club (India) Limited

The Directors have pleasure in presenting the 20th Annual Report of the Company together with audited Annual Accounts for the year ended 31st March, 2011.

Financial results

(₹ in Lakhs)

Particulars	Consolidated (Mar' 11)		Standalone (Mar' 11)	
	Current Year	Previous year	Current Year	Previous year
Total Income	32,414.35	30,850.7	21,699.60	21,243.77
Operating profit before interest, depreciation and tax	9698.66	7877.26	5,352.47	4,644.70
Interest and financial charges	2,109.93	1,065.00	1,942.11	925.05
Depreciation	2,890.95	2,251.18	1,842.68	1,327.11
Profit before taxation	5,280.77	5,134.37	2,135.86	2,921.69
Provisions for taxation	1,075.45	1,166.29	1,019.79	1,125.96
Profit after taxation	4,205.32	3,968.08	1,116.08	1,795.74
Transfer to General Reserves	Nil	Nil	Nil	Nil
Provision for dividend	89.46	77.47	89.46	77.47
Provision for dividend tax	14.51	12.87	14.51	12.87
Surplus carried to Balance Sheet	23,114.02	19,009.35	12,515.60	11,503.50

Results of operations

During the year under review, the turnover of the Company was ₹324.14 Crores as compared to ₹308.51 Crores for the previous year. The Company is constantly striving to improve its membership, and hopes to achieve better results in the forthcoming year.

Outlook

The Company's motto is to offer best service of the best quality at the best price to its members. With this

in view the Company is constantly trying to improve its properties, increasing the opportunities for its members to get the value for their money.

The Company's Dubai office has been positioned to serve as the strategic base for global expansion. In the coming years, the Company will expand its brand's footprint across Middle East and Africa. The Company aims to increase memberships by four fold to one million from about 2,50,000 members at

present.

In the pipeline the Company has plans to establish offices in Doha, Bahrain, Saudi Arabia (Riyadh and Jeddah) and Kuwait in the middle east region. Kenya and South Africa are also on the expansion radar with the Company looking to set up base in Nairobi and Johannesburg in the near future. The Company is also looking at Malayasia and Singapore to expand its clubbing and Hospitality business.

Dividend and transfer to Reserves

Your Directors are pleased to recommend a dividend of 5% on the equity share capital of ₹17,89,29,470 resulting in a cash outflow of 0.89 crores (excluding dividend tax). Dividend on Equity Share Capital for the year ended 31st March, 2011, which if approved by members at the forthcoming Annual General Meeting, will be paid out of current year profits within 30 days of declaration.

Un-Paid/Un-claimed Dividend Amount

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

Financial Year	Amount in ₹
2009 - 2010	2,53,212
2008 - 2009	7,67,240
2007 - 2008	5,45,280
2006 - 2007	7,14,400

Share Capital

The paid-up Share Capital of your Company stands at ₹17,89,29,470 (Rupees seventeen crores eighty nine lakhs twenty nine thousand four hundred and seventy only) as on 31st March, 2011.

During the year, the company has allotted 43,45,999

Equity Shares at ₹16.26 per Equity Share(which includes a premium of ₹14.26 per equity share) to Mr. Y. Rajeev Reddy, promoter of the Company, upon the conversion of 31,04,285 Share Warrants on 7th January 2011. These shares have been listed on Bombay Stock Exchange Limited and the Company is in the process of making an application to Madras Stock Exchange Limited for listing these shares.

Management Discussion and Analysis

Pursuant to Clause 49 of the Listing Agreement, a report on the management discussion and analysis is enclosed herewith.

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

Additional information as required U/S 217(1) (e) of the Companies Act, 1956:

(a) Conservation of energy	The Company is continuously monitoring the consumption of energy and implements wherever necessary, the required measures for conserving it
(b) (i) Technology absorption, adaptation and innovation	No technology - indigenous or foreign - is involved.
(ii) Research and development (R&D)	No research and development was carried out.
(c) Foreign Currency Earnings/Inflow	₹4,50,42,957
Foreign Currency Expenditure / Outflow	₹57,18,137

Particulars of Employees receiving remuneration of ₹60,00,000 or more per annum or ₹5,00,000 or more per month are given below:

Name of the employee	Mr. Y. Rajeev Reddy
Designation	Chairman & Managing Director
Total Remuneration (in ₹)	₹84,00,000 (₹36,00,000 is paid in respect of services rendered as Managing Director and ₹48,00,000 is paid towards brand ambassador fee).
Qualification	B. Com (Hons)
Exp. (in years)	24 years
Date of commencement of Employment	17-05-1991
Age	54 years
Last Employment held	Amrutha Group

Directors:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Smt. Manjula Reddy and Shri D. V. Krishnam Raju, Directors of the Company, retire by rotation at the 20th Annual General Meeting and being eligible, offer themselves for re-appointment. Brief resume of the Directors 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 commends their reappointment by the members at the ensuing 20th Annual General Meeting.

None of the Directors of the Company are disqualified from being appointed as Directors as specified in Section 274(1) (g) of the Companies Act, 1956, as amended.

Directors’ Responsibility Statement:

The Directors of the Company hereby state:

- i) That in the preparation of the Annual Accounts for the year ended 31st March 2011, the applicable accounting standards have been followed and there are no material departures.
- ii) That they have selected appropriate 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 on 31st March

2011 and of the Profit of the Company for the financial year ended 31st March 2011.

- iii) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That they have prepared the annual accounts for the financial year ended 31st March 2011 on a going concern basis.

Auditors:

M/s. P. Murali & Co., Chartered Accountants, will retire by rotation as Auditors of the Company at the ensuing Annual General Meeting and being eligible, offered themselves for re-appointment. M/s. P. Murali & Co. has furnished a certificate of their eligibility under Section 224 (1B) of the Companies Act, 1956. Board of Directors recommends their re-appointment.

Statement pursuant to the Listing Agreement:

The Company’s equity shares are listed on the Bombay Stock Exchange Limited (BSE) and Madras Stock Exchange Limited and the Company has paid the annual listing fees up to 2011-12.

Corporate Governance:

As required by Clause 49 of the Listing Agreements, 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.

Subsidiary Companies:

The Company has eighteen subsidiary outfits as on 31st March, 2011:

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. JJ 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:

- 14. Country Club Babylon Resort Private Limited, Sri Lanka
 - 15. Country Vacations International Limited, Dubai
 - 16. Country Vacations International LLC, Dubai*
 - 17. Country Vacations International LLC, Oman*
 - 18. Country Vacations International LLC, Abudhabi*
- * Has become subsidiary of the Company under Section 4(1) (c) of the Companies Act, 1956.

New Ventures:

- Your Company has added two more feathers in its cap, during the financial year under review and details are:
- I. Acquired “Club Arzee”, an existing Recreation Club at Surat owned by M/s. Club Arzee Limited by way of acquisition of 100% shareholding.
 - II. Set up an overseas entity at Abu Dhabi i.e. “Country Vacations International LLC-AbuDhabi” to cater to the needs of the members in Abu Dhabi and is a subsidiary of “Country Vacations International Limited – Dubai, UAE”.

The Ministry of Corporate Affairs (MCA) has through its General Circular No. 2/2011 dated 08th February 2011, has granted general exemption to all the

Companies from the requirement to attach various documents in respect of subsidiary Companies, as set out in sub-section (1) of Section 212 of the Companies Act 1956. Accordingly Balance sheet, Profit and Loss Account and other documents of the subsidiary Companies are not being attached with the balance sheet of the Company.

Further your Company hereby undertakes that annual accounts of the subsidiary companies and the related detailed information shall be made available to 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 for inspection by any shareholder 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 falling under Section 58A of the Companies Act, 1956, 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 (India) Limited

Place: Hyderabad
Date: 01/09/2011

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO



Management Discussion and Analysis

Indian Hospitality sector:

The Indian Economy:

According to the advance estimates provided by the Central Statistics Office (CSO), GDP at factor cost at constant prices is expected to register a growth of 8.6 percent in the year 2010-11. In the year 2009-10, GDP at factor cost at constant prices grew by 8.0 percent. Although the expected performance of the industry and services sector in 2010-11 is not very different from what was seen in 2009-10, when industry grew by 8.0 percent and services grew by 10.1 percent, it is the much improved performance of the agriculture sector in 2010-11 that is going to provide an uptick to overall GDP growth.

FY11 marked the turnaround of the hotel industry as the economy recovered after the financial crisis. The industry saw rapid recovery as the year progressed. While foreign tourist arrival increased over 2009 levels, domestic travelers also provided a big boost to the Hospitality industry. As a result of sharp increase in demand, occupancy and average room rent (ARR) returned to levels before the slowdown. Revenue per average room (RevPAR) also increased by 6.2% YoY during the year. While there is a shortage of rooms, several domestic hotel companies and foreign players launched new projects across different segments. These new hotel properties are expected to close the demand-supply gap in the industry in the coming years.

Indian Hospitality industry overview:

Hospitality is emerging as one of the biggest industries when it comes to employment. Today, the term "Hospitality" has gone beyond the borders of the hotel

industry and has seeped into almost every sector of business. Over the last few years the industry has undergone a complete makeover and has become a crucial part of functioning of any company. If one looks closely at sectors such as entertainment, education, and retail industries, Hospitality plays a major role in supporting these sectors.

As per an analysis done by retail consultancy Technopak, at the end of 2010 the Indian hotel industry's worth was estimated around US\$ 17 billion. However the hotel industry is estimated to grow at a CAGR (Compounded Annual Growth Rate) of around 15 per cent over the next five years. According to Economic Survey of 2010-11 the average annual growth rate of hotel and restaurant sector has been 8.8 per cent for the period during 2005-06 and 2009-10. However after a patch of rough time and stagnated growth, the sector is back in the positive growth territory and clocked a growth of 2.2 per cent in 2009-10.

The mood is upbeat in the travel and tourism industry especially in the hotel business. At the Hotel Investment Forum India, Indian and international hotel chains expressed optimism at the growth potential of the Indian market and outlined big investment plans for the coming year. The Indian hotel industry is looking very good because the kind of growth expected over the next couple of years or more is to the tune of 15-20%—something of that we have already seen in the last year. Importantly, the hotel industry and the hotel chain groups are very bullish and optimistic about their investments and commitment as far as the growth is concerned.

Growth and its possible reasons:

The Hospitality Industry is major service sector in the world economy. Since Indian Hospitality industry is projected to grow at a rate of 8.8 per cent during 2007-16, it is thus placing India as the second-fastest growing tourism market in the world. Initiatives like massive investment in hotel infrastructure and open-sky policies made by the government are all aimed at propelling growth in the Hospitality sector. According to industry data, India is expected to double the number of branded hotel rooms from 100,000 now in just three years. Leading the pack is global hotel chains, which will add over 300 hotel properties (an estimated 55,000 rooms) in the country by 2013, as per data compiled by companies.

Over the last decade and half the mad rush to India for business opportunities has intensified and elevated room rates and occupancy levels in India. The successful growth story of 'Hotel Industry in India' seconds only to China in Asia Pacific. The Hotel Industry is inextricably linked to the tourism industry and the growth in the Indian tourism industry has fueled the growth of Indian hotel industry. The thriving economy and increased business opportunities in India have acted as a boon for Indian hotel industry. The arrival of low cost airlines and the associated price wars have given domestic tourists a host of options. The 'Incredible India' destination campaign and the recently launched 'Atithi Devo Bhavah' (ADB) campaign have also helped in the growth of domestic and international tourism and consequently the hotel industry.

Due to such a huge potential available in this segment,

several global hotel chains have all announced major investment plans for the country. The Government's move to declare hotel and tourism industry as a high priority sector with a provision for 100 per cent foreign direct investment (FDI) has also provided a further impetus in attracting investments in to this industry.

It is estimated that the Hospitality sector is likely to see US\$ 11.41 billion rise in the next two years, with around 40 international hotel brands making their presence known in the country by 2011. Simultaneously, international hotel asset management companies are also likely to enter India.

One of the major reasons for the increase in demand for hotel rooms in the country is the boom in the overall economy and high growth in sectors like information technology, telecom, retail and real estate. Rising stock market and new business opportunities are also attracting hordes of foreign investors and international corporate travelers to look for business opportunities in the country.

Also India has been ranked as the fourth most preferred travel destination and with Lonely Planet selecting the country among the top five destinations from 167 countries; India has finally made its mark on the world travel map. Thus, the increase in the need for accommodation has hugely increased the demands for hotels which in turn has boosted the growth of the Hospitality sector in India especially that of the hotel industry.

Emerging trends in the hotel industry:

Rapidly Changing Operating Models:

Unlike in the west, the franchise model has not been a success in India. What accounted for its success in the west is a consistency in the product offering along with strict regulations by the Government on hygiene and health standards, which helped the franchise model to flourish. Recent trends strongly suggest that the franchise model of business has taken a backseat and the focus is shifting to the management model.

Diminishing Brand Loyalty:

Guests today are becoming increasingly unpredictable and quickly switch their patronage for better deals across hotel segments, thereby reducing efficacy of many loyalty programs which hotels target towards their customers.

New Avenues of Growth:

Service apartments, time sharing, fractional ownership, and company hotels or guest houses, have immense potential to grow. Their growth is likely to be due to increased demand of the IT, ITES, BPO, KPO, Biotechnology and Medical tourism sectors.

Heightened awareness of consumers towards their environment has brought into prominence the concept of 'eco-tourism' and 'agri-tourism'. There is an increased flow of people, especially those from the west to India for medical services. This has also brought into limelight the concept of 'medical tourism'. The current market for 'medical tourism' in India is US\$ 533 million, and is expected to grow to US\$ 3.29 billion by 2018.

Diversification holds the key to survival in the long run. The hotel industry isn't behind. Spas are appearing at hotel properties at a remarkable rate and are becoming independent profit centers. Cafes, Lounges and Bars which have high profit margins, are increasing their presence in several hotels.

Growth of Budget Hotels:

Currently, 3 & 4 star category hotels together account for 22% of the total room supply in India, which clearly indicates a huge growth potential for budget hotels. Due to the vast demand supply gap of mid-segment hotel rooms, an investment of US\$ 835 million (Exhibit 15) is proposed for this hotel category over the next three years.

Therefore to conclude, with a lot of hotels opening up in the country, India is being touted as the next destination for the Hospitality Industry. According to figures from the World Travel and Tourism Council, by 2019, there would be 275 million jobs pertaining to

the Hospitality Industry.

Industry Outlook

Tourism and Hospitality being the largest service sector in the country, contributes around 6.23 per cent to the national GDP and 8.78 per cent of the total employment in the country. The country welcomes around 562 million domestic tourists.

Government Initiatives:

The Government has allowed 100 per cent foreign investment under the automatic route in the hotel and tourism related industry, according to the Consolidated FDI Policy, released by DIPP, Ministry of Commerce and Industry, Government of India. The terms 'Hotel' includes restaurants, beach resorts and other tourism complexes providing accommodation and /or catering and food facilities to tourists.

The term tourism related industry includes:

Travel agencies, tour operating agencies and tourist transport operating agencies, units providing facilities for cultural, adventure and wildlife experience to tourists Surface, air and water transport facilities for tourists Convention/seminar units and organizations.

The government has taken up a number of initiatives to enhance the tourism and Hospitality sector performance and profits. Identification and development of 37 destinations within the last two years, and execution of 600 projects for 300 tourist spots across the country with an investment of over US\$24 million are some projects taken by the Government to boost the travel industry and create awareness for the sector. According to the Eleventh Five Year Plan, a total of US\$472 billion is planned to be invested in upgrading and modernizing civil amenities like bridges, rope ways, roads, telecom services, ports, and other forms of transport as per a report by the Planning Commission.

Industry Initiatives:

The Indian Hospitality sector is expected to see an estimated investment of US\$ 12 billion in the next 2 years, and various new industry initiatives are being

taken up. Given the current growth, demand-supply gap and investment norms (100% FDI allowed), the country provides opportunities for International brands to enter India with a long term commitment as stated in a report by the Ministry of External Affairs.

Medical Tourism:

India has emerged as the major destination for medical tourists from across the globe. Lower costs combined with effective healthcare therapies have attracted a number of foreign patients. The Indian medical tourism sector valued at US\$ 310 million, currently, receives more than 100,000 foreign patients each year and is expected to reach US\$ 2 billion by 2012. With an annual growth of the sector projected at 30 per cent, the number of medical tourists is anticipated to grow at a CAGR of over 19 per cent during the forecast period to reach 1.3 million by 2013.

To offer superior healthcare services, the government has adopted the Public Private Partnership (PPP) Model to enhance the infrastructure requirements of the sector with the expertise of private sector and better support of public sector.

Kerala, termed as 'God's Own Country' promises world class hospitals coupled with cost-effective treatments and opportunities for tourists to relax and enjoy. The state has been witnessing a steady growth in the number of foreign nationals visiting the country for procedures like knee replacement, weight reduction surgery, liver transplant, cardiac care, ophthalmic care and dentistry.

Hospitality:

The Indian Hospitality industry, estimated at US\$ 17 billion, contributes 2.2 per cent of India's GDP. The sector is expected to grow to US\$ 36 billion by the end of 2018. Seventy per cent of the total contribution (US\$ 11.85 billion) comes from the unorganized sector and the remaining 30% (estimated at US\$ 5.08 billion) comes from the organized sector of the Hospitality industry.

Road Ahead:

The tourism and Hospitality sector report by the Ministry of Tourism suggests that the demands are expected to increase up to US\$ 34.7 billion by the end of 2020. In order to promote this target, the Ministry has already sanctioned the development of 169 rural sites across the country. These sites have been selected based upon their competencies for craft and handloom skills.

Statistics suggest a triple fold increase in the number of tourists visiting the country. The sector has witnessed a steady growth from four million travelers in 1998 to 11 million in 2008. As expected, the figure is intended to reach a mark of 29 million visitors by 2018. There is an opportunity in the inbound MICE sector (meetings, incentives, conventions and events) which has already registered a growth of 15 per cent to 20 per cent during the last five years as stated in the report by the Ministry of Tourism.

Opportunity and threats:

Opportunities:

- Demand between the national and the inbound tourists can be easily managed due to difference in the period of holidays. For international tourists the peak season for arrival is between September to March when the climatic conditions are suitable whereas the national tourist waits for school holidays, generally the summer months.
- In the long-term the hotel industry in India has latent potential for growth. This is because India is an ideal destination for tourists as it is the only country with the most diverse topography. For India, the inbound tourists are a mere 0.49% of the global figures. This number is expected to increase at a phenomenal rate thus pushing up the demand for the hotel industry.
- Unique experience in heritage hotels.

Threats:

- Guest houses replace the hotels. This is a growing trend in the west and is now catching up in India

also, thus diverting the hotel traffic.

- Political turbulence in the area reduces tourist traffic and thus the business of the hotels. In India examples of the same are Insurgency in Jammu Kashmir and the Kargil war.
- Changing trends in the west demand similar changes in India, which here are difficult to implement due to high project costs.
- The economic conditions of a country have a direct impact on the earnings in hotel industry. Lack of trained man power in the hotel industry.

Risks and concerns:

Risk assessment is:

- A structured and systematic way for identifying hazards and evaluating risks in order to reduce risks to a tolerable level by prioritizing.
- Highlights systematically how hazards can occur and provide an understanding of their nature and possible consequences, improving the decision making process for the most cost effective way to prevent EHS damage.

Risks related to political and economic development:

CCIL is exposed to adverse risks in the fields of economic, political and financial market developments which include recession, inflation, availability of affordable credit and currency fluctuations that could lower revenues and reduce income. It is due to recession that the hotel industry gets adversely affected. The room rates, occupancy levels and other income-generating activities get badly hit. However it needs mention that CCIL is highly exposed to the US market and, accordingly, is particularly susceptible to adverse changes in the US economy.

Human resource:

CCIL is aware that in order to evolve and grow big, to establish as a brand and to get into effective marketing, it must maintain a good record of maintaining highly skilled and proficient employees, who would perform

as the company's pillars in taking the company forward. Therefore a careless attempt in building a strong employee base can ruin the entire company's growth and upliftment to a great extent. One wrong step like failure to recruit or retain key personnel, failures in CCIL's succession planning and incentive plans, or a failure to invest in the development of key skills can affect the company a great deal. The Hospitality market is rapidly evolving and to keep pace with this constant evolution, CCIL must have a storehouse of competent employees to combat the market growth and to drive the company to growth and expansion.

Risks related to domestic and international travel:

Instances of domestic and international travel threats are not new and this is when the hotel industry gets exposed to serious risks. The room rates and occupancy levels of CCIL gets deeply affected due to domestic and international travel threats like terrorism, accidents, mishaps, natural disasters, etc. Since these events take place without any prior warning, CCIL hardly has any prior preparation to combat these impending dangers as a result of which, it is obvious for CCIL to meet serious impacts on its financial results at the end of one FY.

Risk of identifying, securing and retaining franchise and management agreements:

An inherent risk for the hotel industry and franchise business model is proper identification, procurement and retaining franchise and management agreements. CCIL is therefore exposed to risks under this category. It often gets tough for CCIL to maintain agreement with franchise or management due to reasons like difference in favorable terms and conditions in case of renewal of agreement with that of the previous year which sometimes don't match with the current year. In this case CCIL fails to renew the agreement on the previous mentioned terms and as a result loses out on the franchise.

Reputation of its brand:

For CCIL, keeping its brand image flying high is a

challenge which it has to face every year. Occurrence of any unexpected and unpleasant event can create an adverse effect on its brand image. Therefore CCIL has to make sure it maintains its brand image and goodwill to customers, which if affected, can have a severe impact on the revenues earned from the business or brand. On the other hand, CCIL has to follow the regulations which a hotel industry is expected to follow and also maintain its customer's preference on choosing CCIL over other properties. It also has to maintain its quality and services. In case CCIL fails to meet these targets, its brand image will fall flat and it will face damage hard to recover.

Risks in relation to technology and systems:

A considerable part of CCIL is largely dependent upon technologies and systems including IT systems. Disruption to these technologies will have a drastic effect on the smooth running of the business, hampering its revenue earning. Therefore CCIL must invest considerably on enhancing its technology and must have an efficient systems management team to take care of its technological workings. It must install advanced machinery and use latest technologies to maintain its position in the competitive market.

Risks related to hotel industry supply and demand cycle:

Industry overcapacity (by number of rooms), weak demand due to the cyclical nature of the hotel industry or other differences between planning assumptions and actual operating conditions can hit the future operating results of CCIL. Reductions in room rates and occupancy levels would adversely impact the results of Group operations.

Risk of experiencing a lack of selected development opportunities:

Although CCIL has plans of developing and extending its hotel network through activities that do not involve significant amounts of its own capital. However if suitable development sites become limited, it could adversely affect its results of operations.

Internal Control Systems and their adequacy:

Country Club has a robust internal audit and control system which is a process overdriven by the Board of Directors, Management and other personnel and provides reasonable assurance regarding the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The Company's Internal Audit function is staffed with qualified and experienced people. The Standard Operating Procedures (SOPs) put in place by the Company are in line with the best global practices and have been laid down across the process flows along with authority controls for each activity.

Financial performance:

The Company had a strong 5-year CAGR of 38% in the topline (consolidated financials). In the past few years the Company made many Greenfield and brownfield acquisitions and has successfully completed those projects resulting in a steady growth. For the FY2010-11, EBIDTA has grown by over 23% as compared to previous year. Interest cost has increased from ₹1065.00 lakhs in previous year to ₹2109.93 lakhs during the current year. PBT was ₹5,280.77 lakhs (previous year ₹5134.37 lakhs). PAT was ₹4208.64 lakhs for the FY2010-11 (previous year ₹3968.08 lakhs). The PAT margin was maintained at 13%.

Cautionary statement:

Statements in this Management's Discussion and Analysis describing the Company's objectives, projects, estimates and expectations may be forward-looking statements within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downward trend in domestic industry, monsoon, rise in input costs and significant changes in the political and economic environment in India, environment stands, tax laws, litigation and labour relations.



Annexure "A" to Directors' Report

Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement)

1. Company's Philosophy:

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

Country Club (India) Limited ('CCIL' or 'the company') has always been committed to the highest level of corporate governance, and has derived its values from a system which integrates ethics, corporate integrity and best-in-class compliance practices. Transparency, fairness, disclosure and accountability have been central to the working of the company, its management and its Board of Directors. Indeed, CCIL good Corporate Governance practices predates the laws and mandates of the Securities and Exchange Board of India (SEBI). The Company is in compliance with the requirements of the revised guidelines on corporate governance stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges. A code of conduct is framed in its pursuits of excellence in corporate governance.

2. Board of Directors

a) Composition

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

Category	Name of the Directors	Designation
Promoter Directors	Shri Y. Rajeev Reddy,	Chairman & Managing Director
	Shri Y. Siddharth Reddy	Vice - Chairman, Joint Managing Director & CEO
	Shri Y. Varun Reddy	Vice - Chairman, Joint Managing Director & COO
	Smt. Y. Manjula Reddy	Non - Executive Director
Executive Director	Shri D. Krishna Kumar Raju	Vice - Chairman & Executive Director
Independent Directors	Shri D. Venkata Ratna Kishore	Independent Non-Executive Director
	Shri D. Venkata Krishnam Raju	Independent Non-Executive Director
	Shri K. Satyanarayana Raju	Independent Non-Executive Director
	Shri I. Venkata Subba Raju	Independent Non-Executive Director
	Shri Y. Subba Rao	Independent Non-Executive Director

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

(i) No. of Board Meetings held during the financial year ended on 31st March, 2011, for which the details are as follows:

No. of Quarters	Quarter I	Quarter II	Quarter III	Quarter IV
Dates of Board Meetings	1st April 2010	14th August 2010	15th October 2010	2nd February 2011
				14th February 2011
	15th May 2010	30th August 2010	13th November 2010	28th February 2011
	30th June 2010			

The last Annual General Meeting was held on 30th September 2010.

(ii) 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 ¹	No. of Memberships/Chairmanships of Board Committees in other Companies ²	Attendance	
			No. of Board Meetings	Last AGM
Shri Y. Rajeev Reddy	14	Nil	9	Yes
Shri Y. Siddharth Reddy	14	Nil	10	Yes
Shri Y. Varun Reddy	10	Nil	8	Yes
Shri D. Krishna Kumar Raju	7	Nil	10	Yes
Smt. Y. Manjula Reddy	6	Nil	7	No
Shri D. Venkata Krishnam Raju	Nil	Nil	9	No
Shri D. Venkata Ratna Kishore	Nil	Nil	8	Yes
Shri K. Satyanarayana Raju	Nil	Nil	9	Yes
Shri I. Venkata Subba Raju	Nil	Nil	8	No
Shri Y. Subba Rao	Nil	Nil	7	No

¹The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships in Foreign Companies, Companies Registered under Section 25 of the Companies Act, 1956 and Private Limited Companies.

²In accordance with Clause 49, Memberships / Chairmanships of only the Audit Committees and Shareholders' / Investors' Grievance Committees in all Public Limited Companies (excluding Country Club (India) Limited) have been considered.

c) **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 of the 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, compensation, nominations, risk management and investor grievance 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 litigations, 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 toward goodwill, brand equity or intellectual property.
- Any significant development on the human resources aspect.

- 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.

d) **Code of Conduct**

In pursuance with the Sub - Clause (D) of Clause 49 of the Listing Agreement, the Company has adopted a Code of Conduct for all Board Members and Senior Management Personnels of the Company. The Code of Conduct has been made available on our website, www.countryclubindia.net. All the members of the Board and Senior Management Personnels have affirmed their compliance with the Code of Conduct, as at 01/09/2011 A declaration regarding the Code of Conduct's Compliances has been given at the end of the Corporate Governance Report, signed by the Chairman & Managing Director.

3. **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 provisions of Clause 49 of the

Listing Agreement entered with the Bombay Stock Exchange Limited.

a) **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. Shri D. Krishna Kumar Raju, Member	Executive Director

Mr. S. Subba Rao, Company Secretary has acted as the Secretary to the Committee.

b) **Attendance of Members at the Audit Committee Meetings:**

During the year, four Audit Committee Meetings were held for approval of unaudited / audited financial results on ; 15th May 2010; 14th August 2010; 13th November 2010 and 14th February 2011 Following are the attendance of each member in the Audit Committee Meetings:

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

c) **Powers of the Audit committee:**

The Board of Director of the company has delegated the following powers to the Audit Committee, in pursuance with Clause 49 of the Listing Agreement:

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 compliances 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 Financial information of the company, the Audit Committee has properly complied its Role as mentioned in the Clause 49 of the Listing Agreement.

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

4. Remuneration Committee**a) The 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	

b) Attendance of Members at the Remuneration Committee Meetings:

During the year, two remuneration Committee Meetings were held on 14th February 2011 and 15th May 2011 for purpose of approving the re-appointments of Mr. Y. Rajeev Reddy, Chairman and Managing Director and Mr. Y. Varun Reddy, Vice-Chairman, Joint-Managing Director and Chief Operating Officer of the Company w.e.f. 1st April 2011 and 1st August 2011 respectively. Following are the attendance of each member in the remuneration Committee Meetings:

Name of the Director	No. of Meetings	
	Held	Attended
1. Shri K. Satyanarayana Raju , Chairman.	2	2
2. Shri Y. Subba Rao, Member	2	2
3. Shri D. V. Ratna Kishore, Member	2	2

Role of Remuneration Committee:

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

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

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

- To fix the remuneration packages of Executive Directors i.e., Managing Directors and Whole-time Directors, etc.
- 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 2010 - 2011			
				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	NIL	36,00,000	NIL	36,00,000
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	NIL	30,00,000	NIL	30,00,000
Shri Y. Varun Reddy	Related to Shri Y. Rajeev Reddy, Smt. Y. Manjula Reddy, Shri Y. Siddharth Reddy	Vice-Chairman and Joint Managing Director and COO	NIL	NIL	30,00,000	NIL	30,00,000
Shri. D. Krishna Kumar Raju	Not Applicable	Vice-Chairman & Executive Director	NIL	NIL	30,00,000	NIL	30,00,000

Note: Apart from the Director remuneration mentioned above, Mr. Y. Rajeev Reddy is also paid a Brand Ambassador Fee of ₹4,00,000 Per month.

5. Shareholders'/Investors' Grievance Committee

The Committee oversees share transfers and monitors investor grievances. To look into the redressal of shareholders and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc.

The Shareholders'/Investors' Grievance Committee was constituted of the following Directors:

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

Mr. S. Subba Rao, Company Secretary is the Compliance Officer of the Company.

The total number of complaints received during the year 2010 - 2011 was 14, out of these complaints twelve Complaints were resolved during the year. There were two Complaints outstanding as on 31st March, 2011.

6. General Body Meetings

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

AGM	Year	Venue	Date	Time
19th	2009-2010	Agrasen Bhavan, 149, Brig Sayeed Road, Sappers Line, Paradise, Secunderabad - 500 003	30th September, 2010	12:00 noon
18th	2008 - 2009	Agrasen Bhavan, 149, Brig Sayeed Road, Sappers Line, Paradise, Secunderabad - 500 003	30th September, 2009	12:00 noon
17th	2007 - 2008	Agrasen Bhavan, 149, Brig Sayeed Road, Sappers Line, Paradise, Secunderabad - 500 003	05th September, 2008	12:00 noon

b) Special resolutions passed in the previous three AGMs

Date of the AGM	No. of Special resolutions passed	Details of the Special Resolutions
30th Sep, 2010	01	<ul style="list-style-type: none">Re-appointment of Mr. Y. Siddarth Reddy as the Joint Managing Director of the Company for further period of 5 years w.e.f. 01st September 2010.
30th Sep., 2009	01	<ul style="list-style-type: none">Increase the number of Directors from 12 to 20.
05th Sep., 2008	02	<ul style="list-style-type: none">Subdivision of face value of the Equity Shares of the Company from ₹10 to five Equity Shares of ₹2 eachIssue of 7 lakhs warrants to Mr. Y. Rajeev Reddy the Chairman & Managing Director of the Company

c) Special resolutions passed in the EGM held on 30th April 2010

No. of Special resolutions passed	Details of the Special Resolutions
02	<ul style="list-style-type: none">Issue of 3 crores convertible warrants on preferential basis to M/s. Zen Garden Hotel Private Limited, a Company registered under the Companies Act, 1956 and belonging to the Promoter group of the Company.Issue of Equity shares and/or convertible instruments through Qualified Institutional Placement (QIP) issue, in accordance with SEBI (ICDR) regulations, 2009, FCCBs/GDRs/ADRs to the tune of upto USD 125 millions or its Rupee equivalent.

d) No Special Resolution was passed through Postal Ballot during the year 2010-11.

e) No Special Resolution is proposed to be passed through Postal Ballot for the forthcoming 20th AGM.

7. 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 on Accounts to Standalone and Consolidated Accounts in the Annual Report of the Company. None of the transactions 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 exchanges 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 Clause 49 of the Listing Agreement. The details of these compliances 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.

8. Means of communication:

- a) **Financial Results:** The Company's quarterly, half-yearly and annual results are published in newspapers as per the Clause 41 of the Listing Agreement. The Annual Report and other

communication will be sent to the Shareholders through post/courier.

- b) The financial and other results were published in the following newspapers at Hyderabad:
 1. Business Standard
 2. Andhra Prabha
- c) The results are also displayed on the Company's website, www.countryclubindia.net.
- d) The website also displays the official news releases. As per the listing requirements, the Company publishes periodical financial results in Business Standard in English and Andhra Prabha in Telugu.

9. Management discussion and analysis:

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

10. Statement pursuant to Clause 38 of the Listing Agreement:

The Company's equity shares are currently listed on Bombay Stock Exchange Limited (BSE) and Madras Stock Exchange Limited (MSE) and the Company has paid the annual listing fees and Annual Custodian Fees to Depositors for the year 2011-12.

11. General shareholder information:

a) Details of 20th Annual General Meeting

Date : 30th September, 2011

Time : 11.00 am

Venue : Shri Agrasen Bhavan,
149, Brig. Sayeed Road,
Sappers Line, Paradise,
Secunderabad - 500 003

b) Financial calendar 2011-12 (tentative schedule)

- (i) AGM for the financial year ended on 31st March, 2012 : Before the end of September, 2012
- (ii) Adoption of quarterly results for the quarter ending:

● 30th June, 2011	: 14th August 2011
● 30th September, 2011	: Second Week of November, 2011
● 31st December, 2011	: Second Week of February, 2012
● 31st March, 2012	: Second Week of May, 2012

c) Date of book closure :

26th September 2011 to 30th September 2011
(both days inclusive)

d) Dividend payment date(s) :

Dividend will be paid on or after 5th October, 2011.

e) Listing on Stock Exchanges :

Presently, the Company's equity shares are listed at:

- Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
- Madras Stock Exchange Limited (MSE), No. 30, Second Line Beach, Chennai, 600 001, Tamilnadu, India.

f) Stock code/ ISIN

I) Stock Code

BSE Scrip Code : 526550
BSE Scrip ID : COUNCLB
MSE Trading code : CONTRYCLUB

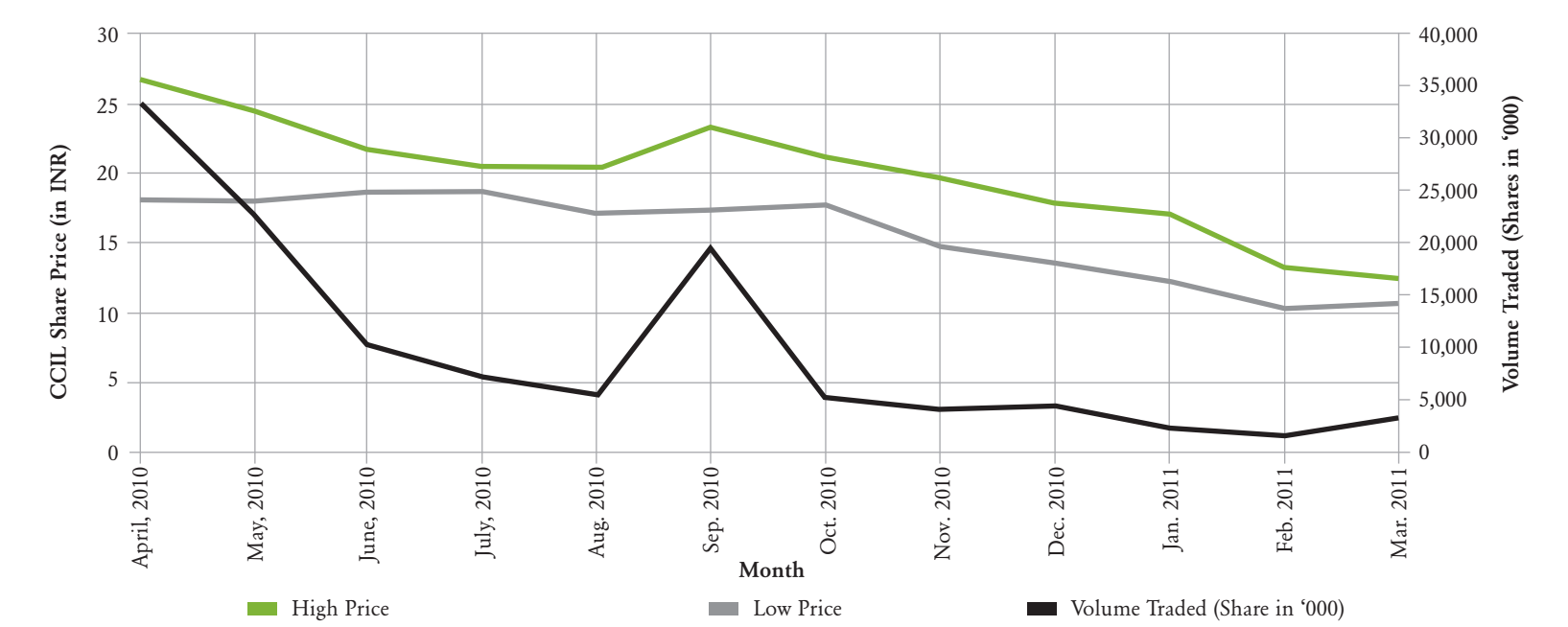
II) Demat ISIN Number

CDSL & NSDL : INE652 F01027
(Equity Shares)

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

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

Month	Bombay Stock Exchange Limited		
	High Price (in ₹)	Low Price (in ₹)	Volume Traded
April, 2010	26.70	18.10	3,35,39,780
May, 2010	24.40	18.00	2,28,43,364
June, 2010	21.60	18.60	1,01,53,915
July, 2010	20.45	18.70	72,56,224
August, 2010	20.30	17.10	56,20,069
September, 2010	23.20	17.30	1,97,59,050
October, 2010	21.20	17.80	50,85,530
November, 2010	19.60	14.65	41,28,204
December, 2010	17.90	13.50	44,42,893
January, 2011	17.10	12.25	23,33,756
February, 2011	13.30	10.42	16,23,604
March, 2011	12.470	10.70	33,21,459



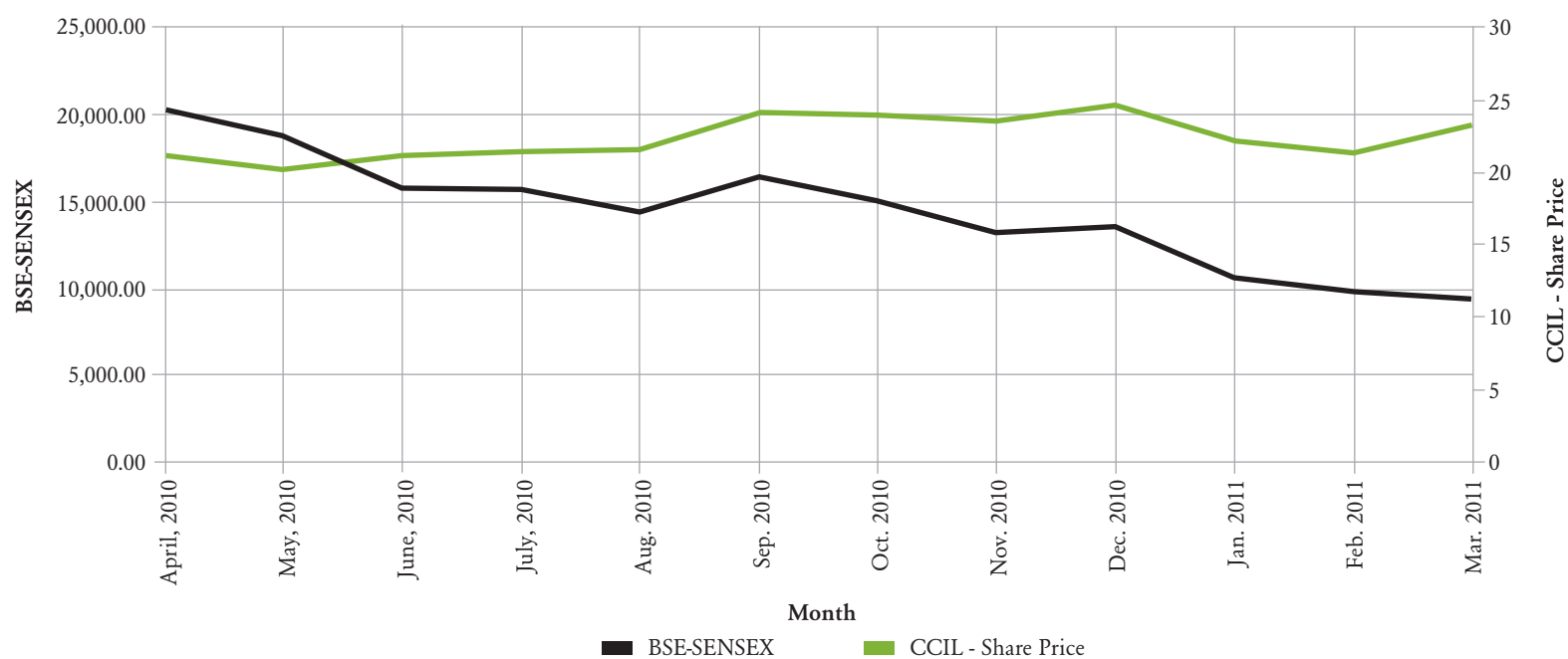
Since, there is no trading of shares on the Madras Stock Exchange Limited, the above information is not provided in respect of this exchange.

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

(in ₹)

Month	Share Price in BSE			BSE - Sensex		
	High Price	Low Price	Closing Price	High Price	Low Price	Closing Price
April, 2010	26.70	18.1	24.20	18,047.86	17,276.80	17,558.71
May, 2010	24.40	18.00	22.40	17,536.86	15,960.15	16,944.63
June, 2010	21.60	18.60	18.90	17,919.62	16,318.39	17,700.90
July, 2010	20.45	18.70	19.00	18,237.56	17,395.58	17,868.29
August, 2010	20.30	17.10	17.25	18,475.27	17,819.99	17,971.12
September, 2010	23.20	17.30	19.70	20,267.98	18,027.12	20,069.12
October, 2010	21.20	17.80	18.05	20,854.55	19,768.96	20,032.34
November, 2010	19.60	14.65	15.80	21,108.64	18,954.82	19,521.25
December, 2010	17.90	13.50	16.30	20,552.03	19,074.57	20,509.09
January, 2011	17.10	12.25	12.75	20,664.80	18,038.48	18,327.76
February, 2011	13.30	10.42	11.80	18,690.97	17,295.62	17,823.40
March, 2011	12.47	10.70	11.26	19,575.16	17,792.17	19,445.22

Stock Performance



i) Registrar and transfer agent

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

j) 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.

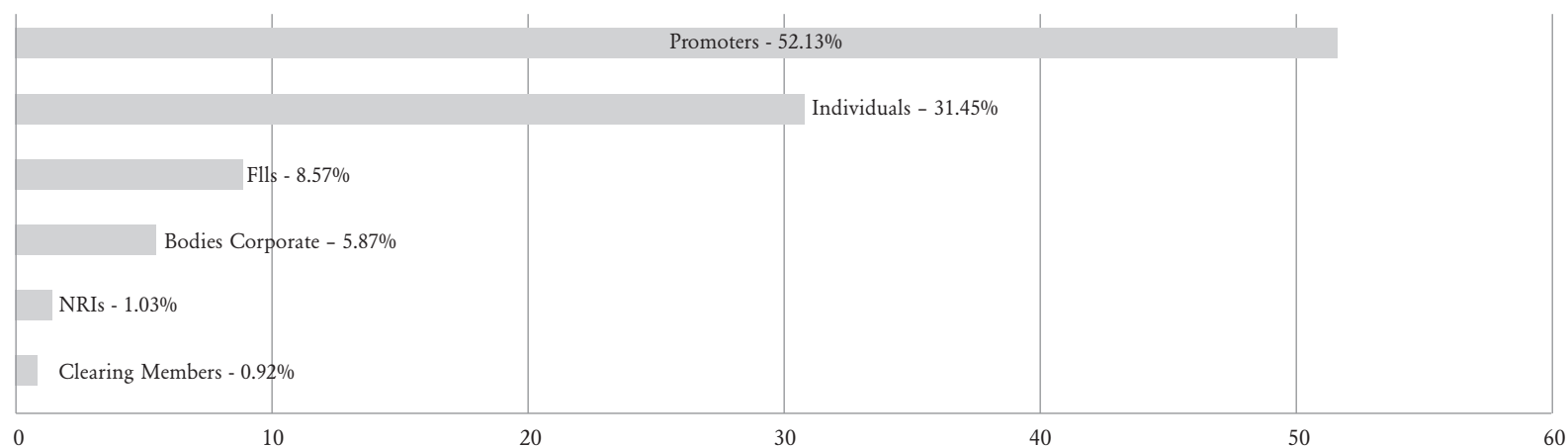
k) Distribution of Shareholdings as on 31st March, 2011:

No. of Shares Slab	No. of Shareholders		No. of Shares		Share Amount	
	Total	%	Total	%	Total (₹)	%
1 – 5000	19043	90.91	10649019	11.9	21298038	11.9
5001 – 10000	1050	5.01	3970278	4.44	7940556	4.44
10001 – 20000	443	2.11	3424893	3.83	6849786	3.83
20001 – 30000	119	0.57	1491590	1.67	2983180	1.67
30001 – 40000	82	0.39	1490179	1.67	2980358	1.67
40001 – 50000	46	0.22	1063844	1.19	2127688	1.19
50001 – 100000	79	0.38	2834872	3.17	5669744	3.17
100001 & Above	85	0.41	64540060	72.14	129080120	72.14
Total	20947	100	8,94,64,735	100	17,89,29,470	100

1) Shareholding Pattern:

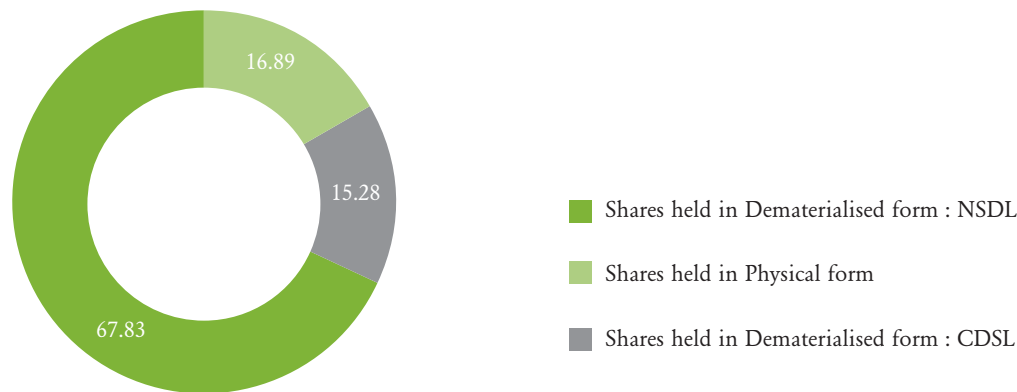
Category of Shareholder	As on 31st March, 2011			As on 31st March, 2010		
	No. of Shareholders	Total No. of shares	%	No. of Shareholders	Total No. of shares	%
Promoter's Holding						
Indian Promoters	8	46,637,386	52.13	8	42,291,387	49.69
Total Promoter's Holding (A)	8	46,637,386	52.13	8	42,291,387	49.69
Public Shareholding						
Institutional Investors						
Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil
Financial Institutions/Banks	2	12,999	0.10	1	57,000	0.07
Foreign Institutional Investors	6	76,69,749	8.57	12	9,352,275	10.99
Foreign Companies	Nil	Nil	Nil	Nil	Nil	Nil
Non - Institutional Investors						
Bodies Corporate	389	52,53,939	5.87	432	6,181,549	7.26
Individuals	20,326	2,81,43,994	31.45	18,679	23,744,742	27.89
Others						
Non Resident Indians	188	9,24,090	1.03	219	1,066,401	1.25
Overseas Corporate Bodies	Nil	Nil	Nil	Nil	Nil	Nil
Trusts	Nil	Nil	Nil	2	600	0.00
Clearing Members	28	8,22,578	0.92	129	1,062,530	1.25
Total Public Shareholding (B)	20,939	4,28,27,349	47.94	19,474	41,465,097	48.71
Shares held by Custodian against Depository Receipts (C)	NIL	NIL	NIL	1	1,362,252	1.60
Total (A+B+C)	20,947	8,94,64,735	100.00	19,483	85,118,736	100.00

Graph representing the shareholding pattern as on 31st March 2011:



n) Dematerialisation of shares and liquidiy

Shares held in Physical and Dematerialised form as on 31st March, 2011



o) Outstanding Warrants

During the year, the Company has issued 3 Crore Warrants. The outstanding quantum of Convertible Warrants and FCCBs are as per the table below:

As on 31st March, 2011:

Particulars	Outstanding in Number/ (Value)	Last date for Conversion	Likely Impact if converted
Convertible Warrants	3,00,00,000	12th January 2012	Will result in issue of new 3,00,00,000 Equity shares of ₹2 each.
FCCBs	USD 20.00 Million	22nd December 2011	Will result in issue of new shares.

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 (India) Limited

‘AmruthaCastle’, 5-9-16, Saifabad

Opp: Secretariat, Hyderabad 500 063

Andhra Pradesh

Email: investorsgrievance@countryclubmail.com

For and on behalf of the Board

For Country Club (India) Limited

Place: Hyderabad

Date: 01/09/2011

Y. Rajeev Reddy

Chairman & Managing Director

Y. Siddharth Reddy

Vice-Chairman, JMD & CEO

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 (India) Limited** hereby declare that all the Board members and senior managerial personnel have affirmed for the year ended 31st March, 2011 compliance with the code of conduct of the Company laid down for them.

Place: Hyderabad
Date: 01/09/2011

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 S.B. Ravindra, Chief Financial Officer of **M/s. Country Club (India) Limited** certify:

1. That we have reviewed the financial statements and the Cash Flow Statement for the year ended 31st March, 2011 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 violative 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: 01/09/2011

S.B. Ravindra
Chief Financial Officer

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

Compliance Certificate on Corporate Governance

To
The Members,
Country Club (India) 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 (India) Limited ("the Company") for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

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

Place : Hyderabad
Date : 01/09/2011

P. Murali Mohana Rao
Partner
(Membership No. 23412)

Auditors' Report on Consolidated Accounts

To
The Board of Directors of
Country Club (India) Limited

We have audited the attached Consolidated Balance Sheet of **COUNTRY CLUB (INDIA) LIMITED and its subsidiaries (the Group)** as at 31st March, 2011 and also the consolidated Profit & Loss Account and consolidated Cash Flow Statement for the period ended on the date annexed thereto. These consolidated financial statements are the responsibility of the **Country Club (India) Ltd's** Management. Our responsibility is to express an opinion on these Consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis of our opinion.

We report that the consolidated financial statements have been prepared by the **Country Club (India) Ltd's** Management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

We did not audit the financial statements of some consolidated entities, Country Club Babylon Resorts Pvt.Ltd., Country Vacations International Limited., Country Vacations International LLC-Dubai, Country Vacations International LLC-Abu Dhabi and Country Vacations International LLC-Oman for the year ended. These

financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion in respect thereof is based solely on the report of such other auditors.

Based on our audit and on consideration of the reports of other auditors on separate financial statements and other financial information of the components, in our opinion and according to the best of our information and explanations given to us, the attached consolidated financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India.

- i. In the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011:
- ii. In the case of the consolidated Profit & Loss Account, of the Profit of the group for the year ended on that date; and
- iii. In the case of the consolidated Cash Flow, of the Cash Flows of the Group for the period ended on that date.

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

P. Murali Mohana Rao
Partner
Membership No. 23412

Place : Hyderabad
Date : 01-09-2011

Consolidated Balance Sheet as at March 31, 2011

(Amount in ₹)

Particulars	Schedule	As at 31-03-2011	As at 31-03-2010
I SOURCES OF FUNDS			
1. Shareholders Funds			
(a) Capital	1	178,929,470	170,237,472
Equity Share Warrants	1A	187,500,000	71,563,382
(b) Membership Fees		348,206,388	460,529,701
(c) Reserves & Surplus	2	7,470,458,612	7,035,309,912
2. Loan Funds			
(a) Secured Loans	3	1,551,552,292	915,337,653
(b) Unsecured Loans	4	907,980,047	900,546,428
3. Deferred Income Tax Liability		297,713,717	233,229,345
Total		10,942,340,526	9,786,753,893
II APPLICATION OF FUNDS			
1. Fixed Assets			
(a) Gross Block	5	8,687,927,496	8,097,922,773
(b) Less: Depreciation		930,564,169	641,745,625
(c) Net Block		7,757,363,327	7,456,177,148
(d) Capital Work in progress		2,202,762,059	1,059,213,607
2. Investments	6	198,000	198,000
3. Current Assets, Loan & Advances			
(a) Inventory		12,661,988	12,587,563
(b) Inventory - Gifts		21,470,645	14,591,659
(c) Sundry Debtors	7	80,211,862	94,550,606
(d) Cash and Bank Balances	8	150,169,758	266,995,825
(e) Loans & Advances	9	2,379,435,423	2,102,264,127
Less: Current Liabilities & Provisions	10	1,662,841,808	1,293,964,195
Net Current Assets		981,107,868	1,197,025,586
4. Miscellaneous Expenses	11	909,272	74,139,553
(to the extent not written off or adjusted)			
Total		10,942,340,526	9,786,753,893
Notes to Accounts	18		

As per our report of even date

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

for and on behalf of the Board of Directors
Country Club (India) Limited

P. Murali Mohana Rao
Partner
Membership No. 23412

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

S. Subba Rao
Company Secretary

Place: Hyderabad
Date : 01-09-2011

Consolidated Profit and Loss Account for the year ended March 31, 2011

(Amount in ₹)

Particulars	Schedule	Year ended 31-03-2011	Year ended 31-03-2010
1. INCOME			
Guest Accommodation, Restaurant and Banquets		568,034,361	581,530,141
Subscription from Members & Others		2,646,146,789	2,481,878,843
Facilities		27,254,681	21,657,293
Total		3,241,435,831	3,085,066,277
2. EXPENDITURE			
Consumables & Provisions	12	143,186,284	164,558,932
Personnel Cost	13	1,033,643,247	993,130,786
Upkeep & Service Cost	14	194,644,668	182,811,711
Interest & Financial Charges	15	210,993,017	106,500,092
General Expenses	16	841,135,375	898,953,109
Audit Fee		477,527	378,040
Depreciation		289,095,206	225,117,764
Miscellaneous Expenses Written Off		183,270	178,814
Total		2,713,358,594	2,571,629,248
3. PROFIT			
Profit / (Loss) Before Tax		528,077,237	513,437,029
Provision For Tax	17	107,545,136	116,629,313
Profit After Tax		420,532,101	396,807,716
Prior Period Income/ (Expenses)		332,629	
Profit After Tax & Adjustments		420,864,730	396,807,716
Balance Brought Forward		1,900,935,413	1,513,161,113
Available for Appropriation		2,321,800,143	1,909,968,829
4. APPROPRIATION			
Provision for Dividend		8,946,474	7,746,690
Provision for Dividend Tax		1,451,342	1,286,726
Balance Carried Forward		2,311,402,327	1,900,935,413
Earnings Per Share		4.89	5.13
Notes to Accounts	18		

As per our report of even date

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

for and on behalf of the Board of Directors
Country Club (India) Limited

P. Murali Mohana Rao
Partner
Membership No. 23412

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

S. Subba Rao
Company Secretary

Place: Hyderabad
Date : 01-09-2011

Schedules to Consolidated Accounts

(Amount in ₹)

Particulars	As at 31-03-2011	As at 31-03-2010
1 SHARE CAPITAL		
Authorised Capital		
20,00,00,000 Equity Shares of ₹2 Each	400,000,000	400,000,000
Issued, Subscribed and Paid up:		
8,94,64,735 Equity Shares of ₹2 Each	178,929,470	170,237,472
(Previous Year 8,51,18,736 Equity Shares of ₹2 Each)		
	178,929,470	170,237,472

Particulars	As at 31-03-2011	As at 31-03-2010
1A SHARE WARRANTS		
7,00,000 partly paid share warrants of ₹770 each to be converted into equity share of ₹10 each at a premium of ₹760	—	53,900,000
31,04,285 partly paid share warrants of ₹22.76 to be converted into 43,45,999 equity share of ₹2 each at a premium of ₹14.25	—	17,663,382
3,00,00,000 partly paid share warrants of ₹25 each to be converted into equity share of ₹2 each at a premium of ₹23	187,500,000	
	187,500,000	71,563,382

Particulars	As at 31-03-2011	As at 31-03-2010
2 RESERVES & SURPLUS		
Capital Reserve	121,240,299	67,340,299
Revaluation Reserve	43,655,099	24,270,349
General Reserve	83,300,000	83,300,000
Share Premium	4,966,551,969	4,900,498,023
Statutory Reserve	1,858,425	1,837,455
Balance in Profit & Loss Account	2,311,402,327	1,900,935,413
Foreign Currency Translation Reserve	(57,549,507)	57,128,373
	7,470,458,612	7,035,309,912

Schedules to Consolidated Accounts

(Amount in ₹)

Particulars	As at 31-03-2011	As at 31-03-2010
3 SECURED LOANS		
Term Loans with Banks		
- Ratnakar Bank Loan - I	179,828,543	199,998,634
- Ratnakar Bank Loan - II	199,952,984	221,198,387
(for expansion of existing Clubs and secured by way of Hypothecation of Land & Building)		
- Saraswat Co Op Bank Loan	240,050,684	252,973,633
(for expansion of existing Clubs and secured by way of Hypothecation of Land & Building)		
- Cosmos Bank Loan I	148,004,600	201,435,540
- Cosmos Bank Loan II	194,858,822	
(for expansion of existing Clubs and secured by way of Hypothecation of Land & Building)		
- Oriental Bank of Commerce Loan - 1	202,340,305	
- Oriental Bank of Commerce Loan - 2	50,498,729	
(for expansion of existing Clubs and secured by way of Hypothecation of Land & Building)		
- Religare Finvest Ltd - Loan	42,490,208	
(for expansion of existing Clubs and secured by way of Hypothecation of Land & Building)		
- Bank of Baroda	257,701,600	
(for expansion of existing Clubs and secured by way of Hypothecation of Land & Building)		
Lease Finance	23,743,180	23,743,180
(Loan from NOIDA Authority for Plot and the same was secured)		
Leave License Deposit	500,000	500,000
Equipment Finance		
(Loans from Citibank, Saraswat Co-Op Bank Ltd & National Bank	11,582,637	15,488,279
of Abu Dhabi for Vehicles and the same were secured by way of hypothecation of the Vehicles)		
	1,551,552,292	915,337,653

Particulars	As at 31-03-2011	As at 31-03-2010
4 UNSECURED LOANS		
Others	2,200,047	466,428
Foreign Currency Convertible Bonds	905,780,000	900,080,000
	907,980,047	900,546,428

5 FIXED ASSETS										
Particulars	Gross Block as on 31-03-2010	Additions during the year	Deletions/ Adjustments during the year	Gross Block as on 31-03-2011	Depreciation upto 1-4-2010	Depreciation during the year	Deletion/ Adjustment dep. during the year	Depreciation as on 31-03-2011	Net Block as on 31-03-2011	Net Block as on 31-03-2010
Goodwill	607,411,023	72,764,215	—	680,175,238	—	—	—	—	680,175,238	607,411,023
Land & Site Development	576,733,742	21,536,000	—	598,269,742	—	—	—	—	598,269,742	576,733,742
Buildings	5,678,209,673	437,661,231	—	6,115,870,904	314,317,467	180,851,492	—	495,168,959	5,620,701,946	5,363,892,206
Furniture & Fixtures	586,792,336	22,615,362	1,257,510	608,150,188	147,123,796	48,295,919	152,421	195,267,294	412,882,894	439,668,540
Plant & Machinery	490,262,590	28,003,663	1,142,094	517,124,160	122,638,977	37,400,379	124,242	159,915,114	357,209,047	367,623,613
Computers	77,201,580	2,799,095	—	80,000,675	32,451,033	12,805,957	—	45,256,990	34,743,685	44,750,547
Vehicles	60,448,009	7,953,137	928,377	67,472,769	22,056,333	8,688,786	—	30,745,119	36,727,650	38,391,677
Brand Development	9,474,059	—	—	9,474,059	3,158,019	1,052,673	—	4,210,693	5,263,366	6,316,040
Intangible Assets	11,389,761	—	—	11,389,761	—	—	—	—	11,389,761	11,389,761
	8,097,922,773	593,332,703	3,327,981	8,687,927,496	641,745,625	289,095,206	276,663	930,564,169	7,757,363,329	7,456,177,149

Schedules to Consolidated Accounts

(Amount in ₹)

Particulars	As at 31-03-2011	As at 31-03-2010
6 INVESTMENTS		
	Not Quoted	Not Quoted
The Hubli Urban Co-op Bank	48,000	48,000
Investment - KCCB Bank Shares	50,000	50,000
Investment - Bharat Co-op.Bank Ltd. 2000 shares of ₹50 each	100,000	100,000
	198,000	198,000

Particulars	As at 31-03-2011	As at 31-03-2010
7 SUNDRY DEBTORS		
(Unsecured & Considered good)		
Debts outstanding exceeding more than six months	24,585,229	22,963,661
Others	55,626,633	71,586,945
	80,211,862	94,550,606

Particulars	As at 31-03-2011	As at 31-03-2010
8 CASH & BANK BALANCE		
Cash on Hand	32,315,341	16,076,067
Cash with Banks		
Scheduled Banks - on Current a/c	103,503,205	207,156,152
Scheduled Banks - on Fixed Deposit (Includes accrued Interest)	11,998,401	7,864,225
Scheduled Banks - Foreign	11,153	33,595,642
Other Banks - on Current a/c	1,420	1,420
Dividend Bank A/C - 2006 - 2007	714,400	723,028
Dividend Bank A/C - 2007 - 2008	545,280	740,588
Dividend Bank A/C - 2008 - 2009	827,346	838,703
Dividend Bank A/C - 2009 - 2010	253,212	—
	150,169,758	266,995,825

Particulars	As at 31-03-2011	As at 31-03-2010
9 LOANS & ADVANCES		
Advance for Capital Goods	1,193,238,870	1,235,575,205
Advance to Suppliers	40,743,007	4,646,958
Other Advances	933,080,813	627,147,661
Deposits	212,372,733	234,894,303
	2,379,435,423	2,102,264,127

Schedules to Consolidated Accounts

(Amount in ₹)

Particulars	As at 31-03-2011	As at 31-03-2010
10 CURRENT LIABILITIES & PROVISIONS		
Creditors for Capital Goods	304,007,555	116,714,801
Sundry Creditors	346,651,407	214,298,605
Other Liabilities	391,080,010	353,580,601
Outstanding Expenses	565,855,981	546,751,613
Income Tax Provisions	42,568,907	51,342,946
Dividend Provision - Current Year	8,946,474	7,746,690
Dividend Tax Provision	1,451,342	1,286,726
Unpaid Dividend A/C - 2006 - 2007	714,400	723,028
Unpaid Dividend A/C - 2007 - 2008	545,280	740,588
Unpaid Dividend A/C - 2008 - 2009	767,240	778,597
Unpaid Dividend A/C - 2009 - 2010	253,212	—
	1,662,841,808	1,293,964,195

Particulars	As at 31-03-2011	As at 31-03-2010
11 MISCELLANEOUS EXPENDITURE		
Preliminary Expenses	18,458	3,909
Miscellaneous Expenditure	—	73,066,667
Selling Deferred Expenses	890,814	1,068,977
	909,272	74,139,553

Particulars	Year ended 31-03-2011	Year ended 31-03-2010
12 CONSUMABLES & PROVISIONS		
Opening Stock	14,159,563	15,491,937
Add: Purchases	141,688,709	161,654,558
Less: Closing Stock	12,661,988	12,587,563
	143,186,284	164,558,932

Particulars	Year ended 31-03-2011	Year ended 31-03-2010
13 PERSONNEL COST		
Salaries & Other Benefits	981,885,348	941,176,892
Contribution to PF & Other Funds	19,906,464	18,978,061
Staff Welfare Expenses	31,851,435	32,975,833
	1,033,643,247	993,130,786

Schedules to Consolidated Accounts

(Amount in ₹)

Particulars	Year ended 31-03-2011	Year ended 31-03-2010
14 UPKEEP & SERVICE COST		
Building Maintenance	1,526,933	1,686,551
Repairs & Maintenance	87,809,542	77,402,045
Power & Fuels	105,308,193	103,723,115
	194,644,668	182,811,711

Particulars	Year ended 31-03-2011	Year ended 31-03-2010
15 INTEREST & FINANCIAL CHARGES		
Interest	152,694,231	49,171,813
Financial Charges	58,298,786	57,328,279
	210,993,017	106,500,092

Particulars	Year ended 31-03-2011	Year ended 31-03-2010
16 GENERAL EXPENSES		
Travelling & Conveyance	52,608,700	48,201,096
Printing & Stationery	31,805,096	28,397,909
Postage, Telegrams & Telephones	76,392,296	104,404,096
Rent	155,371,290	199,646,640
Rates & Taxes	48,793,627	48,560,501
Insurance	8,528,940	10,049,326
Advertisement & Other Marketing Expenses	280,925,080	336,807,681
Amortisation of Exchange Variation	73,066,667	—
Other Administrative Expenses	71,382,806	90,779,844
Legal & Professional Charges	42,260,873	32,106,017
	841,135,375	898,953,109

Particulars	Year ended 31-03-2011	Year ended 31-03-2010
17 PROVISION FOR TAX		
Provision For Tax - Current Year	42,634,845	50,431,010
Deferred Income Tax for current year	64,910,291	66,198,303
	107,545,136	116,629,313

Schedules to Consolidated Accounts

18 NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

GROUP OVERVIEW

Country Club (India) Limited ("the Company") with its subsidiaries (collectively referred to as "the Group") is the leading Indian leisure, infrastructure and vacation ownership Company. The Group is one of the fastest growing entertainment and leisure conglomerates spread across 53 properties in India and abroad.

A. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of financial statements:

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Indian Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

Basis of Consolidation

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

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

Revenue Recognition :

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

Use of Estimates :

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

Investments :

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

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

Schedules to Consolidated Accounts

18 NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)

Fixed Assets :

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

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

Depreciation :

Depreciation on fixed assets is provided using the straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956 or based on the useful life of the assets as estimated by Management, whichever is higher. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed. Individual assets costing less than 5,000 are depreciated in full in the year of acquisition. Assets acquired on finance leases are depreciated over the period of the lease agreement or the useful life whichever is shorter.

Capital Work-in-Progress :

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

Inventories :

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

Foreign Currency transactions and translation:

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange at the balance sheet date and resultant gain or loss is recognized in the profit and loss account. Non-monetary assets and liabilities are translated at the rate prevailing on the date of transaction.

In case of forward exchange contract or any other financial instruments that is in substance a forward exchange contract to hedge the foreign currency risk which is on account of firm commitment and/or is a highly probable forecast transaction, the premium or discount arising at the inception of the contract is amortized as expense or income over the life of the contract. Gains/losses on settlement of transaction arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense for the period. In all other cases the gain or loss on contract is computed by multiplying the foreign currency amount of the forward exchange contract by the difference between the forward rate available at the reporting date for the remaining maturity of the contract and the contracted forward rate (or the forward rate last used to measure a gain or loss on that contract for an earlier period), is recognized in the profit and loss account for the period. Foreign subsidiaries are non-integral in nature. Assets and Liabilities of such subsidiaries are translated at the year end exchange rate; income and expenditure are translated at the average rate during the period. The resultant translation adjustment is reflected as a separate component of shareholders' funds as a 'Currency Translation Reserve'.

Taxation :

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

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

Deferred tax: Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and is written-down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised. The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the

Schedules to Consolidated Accounts

18 NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)

Company has a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

Earnings Per Share :

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

Provisions and contingent liabilities:

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Retirement benefits to employees:

Provident Fund

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

Leases:

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

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

Borrowing Cost:

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

Impairment of assets:

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

Schedules to Consolidated Accounts

18

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)

B. NOTES ON ACCOUNTS

1. Subsidiaries considered for consolidation

The subsidiaries considered in the preparation of these consolidated financial statements are:

Name of the Subsidiary	Country of Incorporation	Percentage of Ownership Control	
		March 31, 2011	March 31, 2010
Aquarian Realtors Pvt Ltd	India	100%	100%
International Country Holidays Private Limited (formerly known as Aakruti Engineers Private Limited)	India	100%	100%
Bush Betta Holiday Ownership Wildlife Adventure Resort Pvt Ltd	India	100%	100%
Country Club Babylon Resorts Pvt Ltd	Sri Lanka	100%	100%
J.J. Arts and Entertainments Pvt Ltd	India	100%	100%
Kolet Resort Club Pvt Ltd	India	100%	100%
Bright Resorts Pvt Ltd	India	100%	100%
Chanakyapuri Resorts Pvt Ltd	India	100%	100%
Jade Resorts Pvt Ltd	India	100%	100%
Maruti Waterpark & Entertainments Pvt Ltd	India	100%	100%
Country Vacations International LLC - Dubai	Dubai	100%	100%
Country Vacations International Ltd - Dubai	Dubai	100%	100%
Country Vacations International LLC - Oman	Sultanate of Oman	100%	100%
Swimwel Investment & Trading Pvt Ltd	India	100%	100%
Swami Vivekanand Training & Education Centre Pvt Ltd	India	100%	100%
Country Vacations International Ltd - India	India	100%	100%
Acquired during the year			
Club Arzee Limited	India	100%	—
Country Vacations International LLC - Abu Dhabi	UAE	100%	—

2. In relation of Managerial Remuneration :	<i>(Amount in ₹)</i>	
	Current Year	Previous Year
Directors’ Remuneration	1,26,00,000	1,29,00,000
Brand Ambassador Fee	48,00,000	48,00,000

Schedules to Consolidated Accounts

18 NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)

3. Auditor's Remuneration :

(Amount in ₹)

	Current Year	Previous Year
Audit Fees	3,77,527	2,78,040
Tax Audit Fee	50,000	50,000
Certification Fee	50,000	50,000

4. In the financial year 2008-09 the Company had restated the Foreign Currency Convertible Bonds at the exchange rates prevailing at the year end and the difference out of such restatement is transferred to "Foreign Currency Monetary Item Transaction Difference Account, to be written off over a period of three years." Accordingly Previous year 1/3 of the difference amount was transferred to P & L account. Similarly during the year also the same 1/3 of the difference amount was transferred to P & L account.

As per the terms of the Offer Circular, unless the bonds have been previously redeemed, repurchased or converted, the company will redeem the bonds on December 22, 2011 at their redemption amount calculated from the Issue Date giving a yield to maturity of 8.25% p.a. compounded semi annually. Out of \$25 million, \$5 million has already been converted into Equity Shares in October, 2009.

5. During the financial year 2010-11 the Company has converted 31,04,285 Share Warrants into 43,45,999 equity shares of ₹2 at a premium of ₹14.26 per share. Subsequently the number of shares increased from ₹8,51,18,736 to ₹8,94,64,735 pursuant to the circular resolution dated 7th January 2011, which is passed by the Borad of Directors of the Company.

During the financial year 2010-11 the company has also forfeited 7,00,000 partly paid Share Warrants of ₹770 to be converted into Equity Shares of ₹10 each at a premium of ₹760. Subsequently the Capital Reserve has increased from ₹6,36,88,694 to ₹11,75,88,694 pursuant to a resolution of the Board of Directors of the company at the Board Meeting held on 1st April 2010.

During the financial year 2010-11 the company has also issued 3,00,00,000 partly paid Share Warrants of ₹25 each to be converted into Equity Shares of ₹2 each at a premium of ₹23 pursuant to the circular resolution dated 13th July 2010, which is passed by the Borad of Directors of the Company.

6. During the financial year 2010-11 the paid up capital of the company stands increased consequent to Issue and Allotment of Shares under the Conversion of Share Warrants dated 7th January 2011 as stated below:

Sl. No.	Date of Allotment of Shares	No. of Shares Allotted	Issue Price (Face Value + Share Premium) ₹
1	7th January 2011	43,45,999	16.26 (2 +14.26)

Consequent to the above the security premium account under Reserves & Surplus stands at ₹4,962,471,969 during the financial year 2010-11.

7. Detailed information regarding quantitative particulars under part II of Schedule VI to the Companies Act, 1956.

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.

ii) Income of the Company includes the following:

(Amount in ₹)

Particulars	Current Year	Previous Year
Guest Accommodation, Restaurants & Banquets	56,80,34,361	58,15,30,141
Subscription from Members and Others	2,64,61,46,789	2,48,18,78,843
Facilities	2,72,54,681	2,16,57,293
Total	3,24,14,35,831	3,08,50,66,277

iii) Consumption of Provisions and Stores:

(Amount in ₹)

Particulars	Opening Stock	Purchases	Closing Stock	Consumption
Current year	1,25,87,563	14,32,60,709	1,26,61,988	14,31,86,284
Previous year	1,54,91,937	16,16,54,558	1,25,87,563	16,45,58,932

Schedules to Consolidated Accounts

18 NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)		
8. Inflow and Outflow in Foreign Currency		
a. Foreign Currency Inflow		(Amount in ₹)
Particulars	Current Year	Previous Year
Foreign Currency Inflow		
(Foreign Currency Inflow includes Membership Fee)	4,50,42,957	49,65,564
b. Foreign Currency Outflow as follows		(Amount in ₹)
Particulars	Current Year	Previous Year
Travelling expenses	3,68,837	57,306
Advance for Travelling & Other Expenses		41,14,293
Listing fees		4,80,300
Loan to Subsidiary Company		2,00,00,000
Investment in Subsidiary Company	53,49,300	2,00,00,000
Membership Fee related to Dubai		28,46,396
9. The company has not made any provision for Leave Encashment and Gratuity to its employees. Leave Encashment and Gratuity are accounted as and when payments are made and as such the Liability has not been ascertained.		
10. There are no dues to SSI Units outstanding for more than 30 days.		
11. The Closing balances shown under the heads debtors/creditors, loans and advances are subject to confirmations as at year end.		
12. In accordance with Accounting Standard 22 (AS 22) issued by the ICAI, the Company has accounted for deferred tax and income tax as given below:		
	(Amount in ₹)	
Particulars	Current Year	Previous Year
Income Tax	4,26,34,845	5,04,31,010
Deferred Tax	6,49,10,291	6,61,98,303
13. As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties.		
A.		
Sl. No.	Name of the Related Party	Relationship
1	Amrutha Estates Pvt Ltd	Associate Company
2	Amrutha Estates & Hospitality Pvt Ltd	Associate Company
3	Zen Garden Hotel Pvt Ltd	Associate Company
4	Country Condo’s Limited	Associate Company
5	Aquarian Realtors Pvt Ltd	Subsidiary Company
6	International Country Holidays Private Limited (formerly known as Aakruti Engineers Private Limited)	Subsidiary Company
7	Bush Betta Holiday Ownership Wildlife Adventure Resort Pvt Ltd	Subsidiary Company
8	Country Club Babylon Resorts Pvt Ltd	Subsidiary Company
9	J.J. Arts & Entertainments Pvt Ltd	Subsidiary Company
10	Kolet Resort Club Pvt Ltd	Subsidiary Company

Schedules to Consolidated Accounts

18 NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)

Sl. No.	Name of the Related Party	Relationship
11	Bright Resorts Pvt Ltd	Subsidiary Company
12	Chanakyapuri Resorts Pvt Ltd	Subsidiary Company
13	Jade Resorts Pvt Ltd	Step-Down Subsidiary Company
14	Maruti Waterpark & Entertainments Pvt Ltd	Subsidiary Company
15	Country Vacations International Ltd - India	Subsidiary Company
16	Swimwel Investment & Trading Pvt Ltd	Subsidiary Company
17	Swami Vivekanand Training & Education Centre Pvt Ltd	Subsidiary Company
18	Country Vacations International LLC - Dubai	Step-Down Subsidiary Company
19	Country Vacations International Ltd - Dubai	Subsidiary Company
20	Country Vacations International LLC - Oman	Step-Down Subsidiary Company
21	Y. Rajeev Reddy	CMD
22	Y. Manjula Reddy	Director
23	Y. Varun Reddy	Vice-Chairman, JMD & COO
24	Club Arzee Limited	Subsidiary Company
25	Country Vacations International LLC-Abu Dhabi	Step-Down Subsidiary Company

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	9,00,000	39,12,000	55,30,200
Land		72,46,500	
Investments in Shares	13,18,81,300		
Membership Sale	1,35,00,000		
Directors Remuneration			1,26,00,000
Share Warrants		18,75,00,000	

14. The Basic and Diluted EPS is Calculated as under

(Amount in ₹)

Particulars	March 31, 2011	March 31, 2010
a) Profit after Tax (₹)	42,08,64,730	39,68,07,715
b) Earnings available to Equity Shareholders for Basic & Diluted EPS (₹)	42,08,64,730	39,68,07,715
c) Weighted average Number of Shares taken for computation of EPS		
- Basic	8,61,18,911	7,74,66,894
- Diluted	12,47,77,151	9,29,64,735
d) Earning per Share		
- Basic	4.89	5.12
- Diluted	3.37	4.27
e) Nominal Value per Share	2	2

Schedules to Consolidated Accounts

18 NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)

15. Secured Loans:

- a) Term Loans from Ratnakar Bank, Loan - I & II of ₹45 crores for expansion of existing Clubs and secured by way of mortgage of plot lying and hereon constructed thereon forming part of land bearing Survey No. 47 & 87 and bearing new city survey No. 723/A, Veera Desai Extension Road, Oshiwara, Andheri (West) Mumbai and freehold lands and premises situated at the plot of land farming part of land bearing survey No. 55/1, Khata No. 144/131(K) KIADB, Deevarabeeshanalli, Varthur Hobli, off Sarjapur Road, Bangalore South. The Outstanding Balance for the Current year is ₹37,97,81,527 (Previous Year ₹42,11,97,021).
 - b) 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 ₹24,00,50,684 (Previous Year ₹25,29,73,633).
 - c) 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 ₹34,28,63,422 (Previous Year ₹20,14,35,540).
 - d) Term Loans from Oriental Bank of Commerce, Loan 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 ₹25,28,39,034 (Previous Year ₹ NIL).
 - e) Term Loan from Religare Finvest Ltd, Loan of ₹4.25 Crores for expansion of existing Clubs and secured by way of mortgage of Club Arzee Limited, Survey No. 623 & 624/2 adujan, Surat, Gujarat. The Outstanding Balance for the Current year is ₹4,24,90,208 (Previous Year ₹ NIL).
 - f) Term Loan from Bank of Baroda, Loan of ₹32.21 crores (AED 2.6 crores) for expansion of existing clubs and secured by way of mortgage of Country Vacations International Limited, P.O. Box: 118094, Bur Dubai, UAE. The Outstanding Balance for the Current year is ₹25,77,01,600 (Previous Year ₹ NIL).
 - g) Equipment Finance loans from Citibank & Saraswat Co-Op Bank Ltd of ₹1.42 Crores for Vehicles and the same were secured by way of hypothecation of the vehicles. The Outstanding Balance for the Current year is ₹1,15,82,637 (Previous Year ₹1,54,88,279).
 - h) 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 ₹2,37,43,180 (Previous Year ₹2,37,43,180).
16. During the year the company has reclassified Membership Refundable A/c from Unsecured Loans to Current Liabilities since these are payable within 12 months.
17. As per AS 17 Segment report, it is difficult to identify segment wise profitability and Capital Employed considering that infrastructure is common for all the revenue activities of the Company.
18. During the Current year the company has declared a dividend @ 5% on the Equity Shares of ₹2 Face Value. 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.

Schedules to Consolidated Accounts

18

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)

Particulars	Amount (₹)
Unpaid Dividend for the year 2009-10	2,53,212
Unpaid Dividend for the year 2008-09	76,7,240
Unpaid Dividend for the year 2007-08	5,45,280
Unpaid Dividend for the year 2006-07	7,14,400

19. Previous year’s figures have been regrouped wherever necessary.
20. The figures have been rounded off to the nearest rupee.

SIGNATURES TO SCHEDULES 1 To 18

As per our report of even date

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

P. Murali Mohana Rao
Partner
Membership No. 23412

Place: Hyderabad
Date : 01-09-2011

for and on behalf of the Board of Directors
Country Club (India) Limited

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

S. Subba Rao
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March 2011

(₹ in Lakhs)

Particulars	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Taxation and Extraordinary Items	5,280.77	5,134.37
Adjustment For:		
Depreciation	2,890.95	2,251.18
Interest Expenses	1,526.94	491.72
Prior Period adjustment	3.32	-
Excess amount charged to deferred tax in Balance Sheet	(4.26)	28.24
Foreign Currency Translation Reserve in Balance Sheet	(1,146.78)	(5,027.53)
Operating Profit before Working Capital Changes	8550.94	2,877.98
Trade and Other Receivables	(2,628.33)	(2,641.27)
Inventories	(69.53)	(116.87)
Trade Payables	3,158.45	(1,736.84)
Cash Generated From Operations	9,011.53	(1,617.00)
Extraordinary Items		
Net Cash Flow after Extraordinary Items	9,011.53	(1,617.00)
Net Cash Flow from Operating Activities	9,011.53	(1,617.00)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Purchase of Fixed assets includes Capital Work-in-Progress)	(17,338.30)	(7,856.05)
Miscellaneous Expenses (to the extent not written off or adjusted)	732.30	732.45
Investments in Subsidiary Companies	-	234.17
Net Cash in Investing Activities	(16,606.00)	(6,889.43)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Shares	747.46	2,985.57
Proceeds from Issue of Warrants	1,159.37	(183.37)
Increase in Capital Reserve	539.00	396.52
Increase in Revaluation Reserve	193.85	-
Proceeds from Membership Fees	(1,123.23)	(765.46)
Proceeds from Long Term Loans	6,362.15	8,957.98
Received Unsecured Loans	74.34	(1,459.47)
Increase/(Decrease) in Statutory Reserve	0.21	(2.94)
Interest Paid	(1,526.94)	(491.72)
Net Cash Used in Financing Activities	6,426.21	9,437.11
Net Increase in Cash and Cash Equivalents	(1,168.26)	930.68
Cash and Cash Equivalents (Opening Balance)	2,669.96	1,739.28
Cash and Cash Equivalents (Closing Balance)	1,501.70	2,669.96

for and on behalf of the Board of Directors
Country Club (India) Limited

Place: Hyderabad
Date : 01-09-2011

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

S. Subba Rao
Company Secretary

Certificate

To
The Board of Directors,
Country Club (India) Limited
Hyderabad

We have examined the attached Consolidated Cash Flow Statement of **M/s. COUNTRY CLUB (INDIA) LIMITED** for the year ended 31st March, 2011. The statement has been prepared by the Company in accordance with the requirements of Clause - 32 of the listing agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 1st September, 2011 to the members of the Company.

Yours faithfully,

For **P. Murali & Co.,**
Chartered Accountants

Place : Hyderabad
Date : 01-09-2011

P. Murali Mohana Rao
Partner

Statement 212

Statement Pursuant to 212 of the Companies Act, 1956, related to Subsidiary Companies for the year ended 31st March, 2011

Particulars		Financial Year	Shareholding		The net aggregate of profit/(loss) of the Subsidiary for the above financial year so far as they concern the members of the Company and is not dealt with in the accounts of the Company		Change in the holding Companies interest in the subsidiaries between the end of the financial year of the subsidiary and the end of the holding Company's financial year	Material Changes which have occurred between the end of the aforesaid financial year of the subsidiaries and the end of the holding Company's financial year in respect
Sl. No.	Name of the Subsidiary Company		Number of Shares	%	Financial Year Ended on March 31, 2011 (Amount in INR)	Previous Year (Amount in INR)		
1	Aquarian Realtors Private Limited	31st Mar., 2011	1,000 Equity Shares of ₹100 each	100	(48,89,369)	(29,58,204))	Not applicable as financial year coincides with that of the holding Company	As the financial year of both holding and Subsidiary Companies coincide, there are no particulars to furnish
2	Internatonal Country Holidays Private Limited	31st Mar., 2011	10,000 Equity Shares of ₹100 each	100	(4,61,191)	1,18,631	-do-	-do-
3	Bush Betta Holiday Ownership Wildlife Adventure Resort Private Limited	31st Mar., 2011	10,00,000 Equity Shares of ₹10 each	100	(12,50,426)	(12,52,502)	-do-	-do-
4	Country Club Babylon Resorts Private Limited	31st Mar., 2011	50,000 Equity Shares of LKR 1,000 each	100	(35,46,143)	(43,22,894)	-do-	-do-
5	Chanakyapuri Resorts Private Limited	31st Mar., 2011	70,000 Equity Shares of ₹100 each	100	(10,06,232)	(13,88,145)	-do-	-do-
6	JJ Arts and Entertainments Private Limited	31st Mar., 2011	1,50,000 Equity Shares of ₹10 each	100	(13,60,981)	(17,66,675)	-do-	-do-
7	Jade Resorts Private Limited	31st Mar., 2011	10,000 Equity Shares of ₹10 each	100	(57,90,631)	(62,36,925)	-do-	-do-
8	Kolet Resort Club Private Limited	31st Mar., 2011	14,99,800 Equity Shares of ₹10 each	100	(41,56,550)	16,39,706	-do-	-do-
9	Bright Resorts Private Limited	31st Mar., 2011	18,450 Equity Shares of ₹100 each	100	(21,87,881)	(25,68,078)	-do-	-do-
10	Maruti Water Park & Entertainments Private Limited	31st Mar., 2011	2,32,400 Equity Shares of ₹10 each	100	(18,939)	(12,321)	-do-	-do-
11	Country Vacations International Limited, Dubai	31st Mar., 2011	1000 Equity Shares of UAE Dirhams 1 each	100	35,55,19,928	24,35,48,633	-do-	-do-
12	Swami Vivekanand Education and Training Centre Private Limited	31st Mar., 2011	1008 Equity Shares of ₹100 each	100	(71,20,591)	(55,07,446)	-do-	-do-
			48,900 Preference Shares of ₹100 each	100				
13	Swimwel Investment and Trading Private Limited	31st Mar., 2011	10,000 Equity Shares of ₹10 each	100	(61,56,837)	(1,17,32,538)	-do-	-do-
14	Country Vacations International Limited, India	31st Mar., 2011	50,000 Equity Shares of ₹10 each	100	1,47,455	Nil	-do-	-do-
15	Club Arzee Limited	31st Mar., 2011	29,76,600 Equity Shares of ₹10 each	100	(92,64,561)	3,90,526	-do-	-do-

Statement pursuant to exemption granted by the Central Government vide its General Circular No. 2/2011 about the financial information of subsidiary Companies for the year ended 31st March, 2011 (Amount in ₹)

Name of the Subsidiary company	Issued and Subscribed Share Capital	Reserves	Total Assets	Total Liabilities	Details of Investment (Except in case of investment in subsidiaries)	Turnover/ Total Income	Profit before taxation/(Loss)	Provision for taxation	Profit after taxation/loss	Proposed dividend
Aquarian Realtors Pvt. Ltd.	100,000	Nil	3,613,063	3,613,063	Nil	1,641,284	(2,876,120)	2,013,249	(4,889,369)	Nil
International Country Holidays Pvt. Ltd.	1,000,000	Nil	1,500,000	1,500,000	Nil	300,000	(461,191)	Nil	(461,191)	Nil
Bush Betta Holiday Ownership Wildlife Adventure Resort Pvt. Ltd.	10,500,200	3,100,000	13,600,200	13,600,200	Nil	Nil	(1,250,426)	Nil	(1,250,426)	Nil
J.J. Arts and Entertainments Pvt. Ltd.	1,500,000	Nil	2,579,387	2,579,387	Nil	2,628,557	(1,254,104)	106,877	(1,360,981)	Nil
Chanakyapuri Resorts Pvt. Ltd.	7,000,000	Nil	11,047,430	11,047,430	Nil	3,026,898	(1,006,232)	Nil	(1,006,232)	Nil
Bright Resorts Pvt. Ltd.	1,845,000	1,800,000	3,645,000	3,645,000	Nil	20,661,917	(2,187,881)	Nil	(2,187,881)	Nil
Kolet Resorts Club Pvt. Ltd.	14,998,000	Nil	32,696,494	32,696,494	Nil	5,487,265	(4,156,551)	Nil	(4,156,551)	Nil
Jade Resorts Pvt. Ltd.	100,000	Nil	3,049,767	3,049,767	Nil	11,567,180	(4,671,556)	1,119,075	(5,790,631)	Nil
Maruti Waterpark & Entertainments Pvt. Ltd.	2,324,000	750,399	3,074,399	3,074,399	Nil	Nil	(18,939)	Nil	(18,939)	Nil
Country Vacations International Ltd. - India	500,000	147,455	647,455	647,455	Nil	15,216,967	213,394	65,939	147,455	Nil
Swimwel Investment & Trading Pvt. Ltd.	100,000	3,651,605	4,101,605	4,101,605	Nil	6,932,765	(6,156,837)	Nil	(6,156,837)	Nil
Swami Vivekanand Training & Education Centre Pvt. Ltd.	4,990,800	13,013,376	70,729,847	70,729,847	Nil	Nil	(4,831,712)	2,288,879	(7,120,591)	Nil
Club Arzee Ltd.	2,97,66,000	11,183,110	68,449,110	68,449,110	Nil	15,257,410	(9,264,561)	86,253	(9,178,308)	Nil
Country Club Babylon Resorts Pvt. Ltd. Srilanka '@	25,956,015	16,808,932	67,901,899	67,901,899	Nil	366,796	(3,546,143)	Nil	(3,546,143)	Nil
Country Vacations International Ltd. - Dubai '#	1,996,174,211	Nil	27,582,608	27,582,608	Nil	Nil	(402,728)	Nil	(402,728)	Nil
Country Vacations International L.L.C. - Dubai '#	3,716,850	1,858,425	1,313,062,168	1,313,062,168	Nil	883,142,119	308,823,815	Nil	308,823,815	Nil
Country Vacations International L.L.C. - Oman '\$	17,655,038	Nil	151,116,664	151,116,664	Nil	105,497,823	48,185,109	Nil	48,185,109	Nil
Country Vacations International L.L.C. - Abudhabi '#	1,858,425	Nil	10,795,182	10,795,182	Nil	11,481,793	(1,086,268)	Nil	(1,086,268)	Nil

@ Conversion rate of Srilanka ₹1/- (LKR) equal to Indian ₹0.4098 on 31-03-2011.

Conversion rate of Dubai AED.1/- (Dhiram) equal to Indian ₹12.3895 on 31-03-2011.

\$ Conversion rate of Oman Reals.1/- equal to Indian ₹118.18 on 31-03-2011.

Notes:

1. The Ministry of Corporate Affairs (MCA), Government of India, New Delhi vide its Circular No.2/2011, dated 08-02-2011 has granted a general exemption to all the Companies for not attaching the Balance Sheets, Profit & Loss account etc., of Subsidiaries with the Annual Report of the Holding Company, Subject to the compliance of the conditions specified therein.

2. The Company will make available the Annual Accounts of the Subsidiary Companies and the related detailed information sought by the members of the company or its subsidiaries. Further, the annual accounts of the subsidiary companies will also be kept for inspection by any member of the company or its subsidiary at the registered office of the company and that of the subsidiary company concerned.

Standalone Financial Section

Auditors' Report

To
The Members
Country Club (India) Limited

We have audited the attached Balance Sheet of **COUNTRY CLUB (INDIA) LIMITED** as at 31st March, 2011 and also the Profit & Loss Account for the period ended on the date annexed thereto and the Cash Flow Statement for the period ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis of our opinion.

As required by the Companies (Auditor's Report) order 2003 and as amended by the Companies (Auditor's Report)(Amendment) Order 2004, issued by the Central Government of India in terms of the sub-section(4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our Audit;
- (ii) 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;
- (iii) The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow

Statement dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of Section 211 of Companies Act, 1956;

- (v) On the basis of written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as Director in terms of clause(g) of sub-section(1) of Section 274 of the Companies Act,1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (b) In the case of the Profit and Loss Account, of the Profit for the period ended on that date;
- And
- (c) In the case of the Cash Flow, of the Cash Flows for the period ended on that date.

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

P. Murali Mohana Rao
Partner
Membership No. 23412

Place : Hyderabad
Date : 01-09-2011.

Annexure to the Auditors' Report

- | | |
|---|---|
| <p>I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.</p> <p>(b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.</p> <p>(c) The Company has not disposed off substantial part of the Fixed Assets during the year.</p> <p>II. (a) The Inventory has been physically verified during the year by the Management and in our opinion, the frequency of verification is reasonable.</p> <p>(b) In our opinion, the procedures of the physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>(c) The Company is maintaining proper records of inventory and as explained to us, no material discrepancies were noticed on physical verification of stocks as compared to book records.</p> <p>III. (a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.</p> <p>(b) As the Company has not granted any loans, the Clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under Section 301 is prejudicial to the interest of company is not applicable.</p> <p>(c) As no loans are granted by the company, the clause of receipt of interest & principal amount from parties, is not applicable to the company.</p> <p>(d) No loans have been granted to Companies, Firms and other parties listed in the register U/s 301 of the Companies Act, 1956. Hence over due amount of more than Rupees One Lakh does not arise and the clause is not applicable.</p> <p>(e) The Company has not taken any loans, secured or unsecured from</p> | <p>Companies, Firms or other Parties covered in the register maintained U/s 301 of the Companies Act, 1956.</p> <p>(f) As the Company has not taken any loans, the clause of whether the rate of interest and other terms and conditions on which loans have been taken from parties listed in the register maintained U/s 301 is prejudicial to the interest of the company, is not applicable.</p> <p>(g) As no loans are taken by the company, the clause of repayment of interest & principal amount to parties, is not applicable to the company.</p> <p>IV. In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. There is no continuing failure by the company to correct any major weaknesses in internal control.</p> <p>V. (a) In our opinion and according to the information and explanation given to us, since no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been made by the company in respect of any party in the financial year, the entry in the register U/s 301 of the Companies Act, 1956 does not arise.</p> <p>(b) According to the information and explanations given to us, as no such contracts or arrangements made by the company, the applicability of the clause of charging the reasonable price having regard to the prevailing market prices at the relevant time does not arise.</p> <p>VI. The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of Section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under does not arise. As per information and explanations given to us the order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not been received by the Company.</p> <p>VII. In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.</p> |
|---|---|

- VIII. In respect of the Company, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956.
- IX. a) The Company is regular in depositing statutory dues including PF, ESI, Sales Tax, Income Tax, Cess and any other statutory dues with the appropriate authorities and at the end of last financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable.
- b) According to the information and explanations given to us, no undisputed amounts are payable in respect of PF, ESI, Sales Tax, Income Tax, Cess and any other statutory dues as at the end of the period, for a period more than six months from the date they became payable.
- X. The Company has been registered for a period of not less than 5 years, and the company has no accumulated losses at the end of the financial year and the company has not incurred cash losses in this financial year and in the immediately preceeding financial year.
- XI. In our opinion, the Company has not defaulted in repayment of dues to a financial institutions or banks.
- XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other Securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII. This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/Societies.
- XIV. According to the information and explanations given to us, the company is not dealing or trading in Shares, Securities, Debentures and other investments and hence the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or

Financial Institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company does not arise.

- XVI. According to the information and explanations given to us, the Term Loans were applied by the Company for the purpose for which loans were obtained.
- XVII. According to the information and explanations given to us no funds are raised by the Company on short-term basis. Hence the Clause of Short Term funds being used for Long term investment does not arise.
- XVIII. According to the information and explanations given to us, the Company has made preferential allotment of Shares to parties and Companies covered in the Register maintained U/s 301 of the Companies Act, 1956 and the price at which shares have been issued is not prejudicial to the interest of the Company.
- XIX. According to the information and explanations given to us, the company does not have any debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.
- XX. According to the information and explanations given to us, the company has not raised money by way of public issues during the year.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

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

P. Murali Mohana Rao
Partner
Membership No. 23412

Place : Hyderabad
Date : 01-09-2011

Balance Sheet as at March 31, 2011

(Amount in ₹)

Particulars	Schedule	As at 31-03-2011	As at 31-03-2010
I SOURCES OF FUNDS			
1. Shareholders Funds			
(a) Capital	1	178,929,470	170,237,472
Equity Share Warrants	1A	187,500,000	71,563,382
(b) Membership Fee		282,268,620	394,591,933
(c) Reserves & Surplus	2	6,439,190,756	6,222,106,923
2. Loan Funds			
(a) Secured Loans	3	1,286,182,647	904,920,308
(b) Unsecured Loans	4	905,780,000	900,080,000
3. Deferred Income Tax Liability		281,968,969	222,558,832
Total		9,561,820,462	8,886,058,849
II APPLICATION OF FUNDS			
1. Fixed Assets			
(a) Gross Block	5	5,190,825,340	4,855,708,191
(b) Less: Depreciation		708,305,528	524,279,130
(c) Net Block		4,482,519,812	4,331,429,061
(d) Capital work in progress		1,544,144,695	983,813,621
2. Investments	6	2,401,458,339	2,269,577,039
3. Current Assets, Loan & Advances			
(a) Inventory		4,148,233	4,226,908
(b) Inventory - Gifts		21,470,645	14,591,659
(c) Sundry Debtors	7	49,485,073	51,907,188
(d) Cash and Bank Balances	8	134,480,779	224,633,146
(e) Loans & Advances	9	2,691,829,363	2,463,616,723
Less: Current Liabilities & Provisions	10	1,767,716,477	1,530,803,161
Net Current Assets		1,133,697,616	1,228,172,463
4. Miscellaneous Expenses (to the extent not written off or adjusted)		—	73,066,667
Total		9,561,820,462	8,886,058,849
Notes to Accounts	17		

As per our report of even date

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

for and on behalf of the Board of Directors
Country Club (India) Limited

P. Murali Mohana Rao
Partner
Membership No. 23412

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

S. Subba Rao
Company Secretary

Place: Hyderabad
Date : 01-09-2011

Profit and Loss Account for the year ended March 31, 2011

(Amount in ₹)

Particulars	Schedule	Year ended 31-03-2011	Year ended 31-03-2010
1. INCOME			
Guest Accommodation, Restaurant and Banquets		272,691,735	271,593,678
Subscription from Members & Others		1,878,314,214	1,840,468,277
Facilities		18,954,022	12,315,770
Total		2,169,959,971	2,124,377,725
2. EXPENDITURE			
Consumables & Provisions	11	74,278,353	89,410,442
Personnel Cost	12	753,906,523	772,469,120
Upkeep & Service Cost	13	127,170,780	123,470,703
Interest & Financial Charges	14	194,211,377	92,504,783
General Expenses	15	622,237,780	621,341,743
Audit Fee		300,000	300,000
Depreciation		184,268,410	132,711,448
Total		1,956,373,223	1,832,208,239
3. PROFIT			
Profit / (Loss) Before Taxation		213,586,748	292,169,486
Provision For Taxation	16	101,979,044	112,595,864
Profit After Taxation		111,607,704	179,573,622
Prior Period Income/ (Expenses)			
Profit After Taxation & Adjustments		111,607,704	179,573,622
Balance Brought Forward		1,150,349,856	979,809,650
Available for Appropriation		1,261,957,560	1,159,383,272
4. APPROPRIATION			
Proposed Final Dividend on Equity Shares		8,946,474	7,746,690
Provision for Tax on Dividend		1,451,342	1,286,726
Balance Carried Forward		1,251,559,744	1,150,349,856
Earning Per Share		1.30	2.32
Notes to Accounts	17		

As per our report of even date

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

for and on behalf of the Board of Directors
Country Club (India) Limited

P. Murali Mohana Rao
Partner
Membership No. 23412

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

S. Subba Rao
Company Secretary

Place: Hyderabad
Date : 01-09-2011

Schedules to Accounts

(Amount in ₹)

Particulars	As at 31-03-2011	As at 31-03-2010
1 SHARE CAPITAL		
Authorised Capital	400,000,000	400,000,000
20,00,00,000 Equity Shares of ₹2 Each		
Issued, Subscribed and Paid up:	178,929,470	170,237,472
8,94,64,735 Equity Shares of ₹2 Each		
(Previous Year 8,51,18,736 Equity Shares of ₹2 Each)		
	178,929,470	170,237,472

Particulars	As at 31-03-2011	As at 31-03-2010
1A SHARE WARRANTS		
7,00,000 partly paid share warrants of ₹770 each to be converted into equity share of ₹10 each at a premium of ₹760	—	53,900,000
31,04,285 partly paid share warrants of ₹22.76 to be converted into 43,45,999 equity share of ₹2 each at a premium of ₹14.26	—	17,663,382
3,00,00,000 partly paid share warrants of ₹25 each to be converted into equity share of ₹2 each at a premium of ₹23	187,500,000	—
	187,500,000	71,563,382

Particulars	As at 31-03-2011	As at 31-03-2010
2 RESERVES & SURPLUS		
Capital Reserve	117,588,694	63,688,694
Revaluation Reserve	24,270,349	24,270,349
General Reserve	83,300,000	83,300,000
Share Premium	4,962,471,969	4,900,498,023
Balance in Profit & Loss Account	1,251,559,744	1,150,349,856
	6,439,190,756	6,222,106,922

Schedules to Accounts

(Amount in ₹)

Particulars	As at 31-03-2011	As at 31-03-2010
3 SECURED LOANS		
Term Loans with Banks		
- Ratnakar Bank Loan - I	179,828,543	199,998,634
- Ratnakar Bank Loan - II	199,952,984	221,198,387
(for expansion of existing Clubs and secured by way of Hypothecation of Land & Building)		
- Saraswat Co Op Bank Loan	240,050,684	252,973,633
(for expansion of existing Clubs and secured by way of Hypothecation of Land & Building)		
- Cosmos Bank Loan I	148,004,600	201,435,540
- Cosmos Bank Loan II	194,858,822	—
(for expansion of existing Clubs and secured by way of Hypothecation of Land & Building)		
- Oriental Bank of Commerce Loan - 1	202,340,305	—
- Oriental Bank of Commerce Loan - 2	50,498,729	—
(for expansion of existing Clubs and secured by way of Hypothecation of Land & Building)		
- Religare Finvest Ltd - Loan	42,490,208	
(for expansion of existing Clubs and secured by way of Hypothecation of Land & Building)		
Equipment Finance		
(Loans from Citibank & The Saraswat Co-Op Bank Ltd. for	4,414,592	5,570,934
Vehicles and the same were secured by way of hypothecation of the Vehicles)		
Lease Finance	23,743,180	23,743,180
(Loan from NOIDA Authority for Plot and the same was secured)		
	1,286,182,647	904,920,308

Particulars	As at 31-03-2011	As at 31-03-2010
4 UNSECURED LOANS		
Foreign Currency Convertible Bonds	905,780,000	900,080,000
	905,780,000	900,080,000

Straight Line Method

5 FIXED ASSETS										
Particulars	Gross Block as on 31-03-2010	Additions during the year	Deletions/ Adjustments during the year	Gross Block as on 31-03-2011	Depreciation upto 1-4-2010	Depreciation during the year	Deletion/ Adjustment dep. during the year	Depreciation as on 31-03-2011	Net Block as on 31-03-2011	Net Block as on 31-03-2010
Goodwill	3,117,610	—	—	3,117,610	—	—	—	—	3,117,610	3,117,610
Land & Site Development	436,122,747	—	—	436,122,747	—	—	—	—	436,122,747	436,122,747
Buildings	3,637,281,834	309,338,393	—	3,946,620,227	310,422,756	131,184,526	—	441,607,282	3,505,012,945	3,326,859,078
Furniture & Fixtures	298,629,376	11,663,135	738,010	309,554,501	69,914,773	19,115,347	131,519	88,898,601	220,655,900	228,714,602
Plant & Machinery	363,245,869	10,258,492	948,000	372,556,361	93,382,487	17,412,598	110,493	110,684,592	261,871,769	269,863,383
Computers	76,269,447	2,539,525	—	78,808,972	32,174,564	12,551,664	—	44,726,228	34,082,744	44,094,883
Vehicles	41,041,308	3,003,614	—	44,044,922	18,384,550	4,004,275	—	22,388,825	21,656,097	22,656,758
	4,855,708,191	336,803,159	1,686,010	5,190,825,340	524,279,130	184,268,410	242,012	708,305,528	4,482,519,812	4,331,429,061

Schedules to Accounts

(Amount in ₹)

Particulars	As at 31-03-2011	As at 31-03-2010
6 INVESTMENTS		
	Not Quoted	Not Quoted
Investments in Subsidiary Companies Shares		
Aquarian Realtors Private Limited 1,000 Equity Shares of ₹100 Each	9,200,000	9,200,000
International Country Holidays Private Limited (Formerly known as Aakruti Engineering Pvt Ltd) 10,000 Equity Shares of ₹100 Each	127,000,000	127,000,000
Country Club Babylon Resorts Private Limited 50,000 Equity Shares of LKR.1000 Each	48,410,323	43,061,023
Bush Betta Holiday Ownership Wildlife Adventure Resort Pvt Ltd. 10,00,000 Equity Shares of ₹10 Each	18,500,000	18,500,000
Kolet Resorts Private Limited 14,99,800 Equity Shares of ₹10 Each	30,000,000	30,000,000
J.J. Arts and Entertainment Private Limited 1,50,000 Equity Shares of ₹10 Each	55,000,001	55,000,001
Chanakyapuri Resorts Private Limited 70,000 Equity Shares of ₹100 Each	13,500,000	13,500,000
Bright Resorts Private Limited 18,450 Equity Shares of ₹10 Each	38,924,220	38,924,220
Maruti Water Park & Entertainments Private Limited 2,32,400 Equity Shares of ₹10 Each	3,021,200	3,021,200
Country Vacations International Limited - Dubai	1,784,734,595	1,784,734,595
Country Vacations International Limited - India 50,000 Equity Shares of ₹10 Each	636,000	636,000
Swami Vivekanand Training & Education Centre Pvt. Ltd 1,008 Equity Shares of ₹100 Each & 48,900 Preference Shares of ₹100 Each	145,900,000	145,900,000
Swimwel Investment and Trading Private Limited 10,000 Equity Shares of ₹10 Each	100,000	100,000
Club Arzee Limited 29,76,600 Equity Shares of ₹10 Each	99,032,000	—
Club Arzee Limited	27,500,000	—
Share Appliation Money		
	2,401,458,339	2,269,577,039
Particulars	As at 31-03-2011	As at 31-03-2010
7 SUNDRY DEBTORS		
(Unsecured & Considered good)		
Debts outstanding exceeding more than six months	16,643,936	21,187,557
Others	32,841,137	30,719,631
	49,485,073	51,907,188

Schedules to Accounts

(Amount in ₹)

Particulars	As at 31-03-2011	As at 31-03-2010
8 CASH & BANK BALANCE		
Cash on Hand	28,392,348	14,413,431
Cash with Banks		
Scheduled Banks - on Current a/c	91,738,847	199,968,465
Scheduled Banks - on Fixed Deposit (Includes accrued interest)	11,998,401	7,864,225
Scheduled Banks - Foreign	9,525	83,286
Other Banks - on Current a/c	1,420	1,420
Dividend Bank A/C - 2006 - 2007	714,400	723,028
Dividend Bank A/C - 2007 - 2008	545,280	740,588
Dividend Bank A/C - 2008 - 2009	827,346	838,703
Dividend Bank A/C - 2009 - 2010	253,212	—
	134,480,779	224,633,146

Particulars	As at 31-03-2011	As at 31-03-2010
9 LOANS & ADVANCES		
Advance for Capital Goods	1,156,707,363	1,231,607,074
Advance to Suppliers	3,153,780	2,772,522
Advance to Subsidiary Companies	780,813,902	602,880,381
Other Advances	550,097,075	401,159,359
Deposits	201,057,243	225,197,387
	2,691,829,363	2,463,616,723

Particulars	As at 31-03-2011	As at 31-03-2010
10 CURRENT LIABILITIES & PROVISIONS		
Creditors for Capital Goods	300,163,345	107,073,555
Sundry Creditors	164,992,310	206,369,018
Other Liabilities	738,394,119	721,118,147
Outstanding Expenses	508,919,848	435,312,607
Income Tax Provisions	42,568,907	49,654,205
Dividend Provision - Current Year	8,946,474	7,746,690
Dividend Tax Provision - Current Year	1,451,342	1,286,726
Unpaid Dividend A/C - 2006 - 2007	714,400	723,028
Unpaid Dividend A/C - 2007 - 2008	545,280	740,588
Unpaid Dividend A/C - 2008 - 2009	767,240	778,597
Unpaid Dividend A/C - 2009 - 2010	253,212	—
	1,767,716,477	1,530,803,161

Schedules to Accounts

(Amount in ₹)

Particulars	Year ended 31-03-2011	Year ended 31-03-2010
11 CONSUMABLES & PROVISIONS		
Opening Stock	4,226,908	5,386,777
Add: Purchases	74,199,678	88,250,573
Less: Closing Stock	4,148,233	4,226,908
	74,278,353	89,410,442
Particulars	Year ended 31-03-2011	Year ended 31-03-2010
12 PERSONNEL COST		
Salaries & Other Benefits	706,226,323	721,648,405
Contribution to PF & Other Funds	19,230,726	18,489,798
Staff Welfare Expenses	28,449,474	32,330,917
	753,906,523	772,469,120
Particulars	Year ended 31-03-2011	Year ended 31-03-2010
13 UPKEEP & SERVICE COST		
Building Maintenance	1,306,240	1,686,551
Repairs & Maintenance	56,337,036	48,250,247
Power & Fuels	69,527,504	73,533,905
	127,170,780	123,470,703
Particulars	Year ended 31-03-2011	Year ended 31-03-2010
14 INTEREST & FINANCIAL CHARGES		
Interest	137,392,672	39,588,689
Financial Charges	56,818,705	52,916,094
	194,211,377	92,504,783
Particulars	Year ended 31-03-2011	Year ended 31-03-2010
15 GENERAL EXPENSES		
Travelling & Conveyance	44,876,248	36,924,785
Printing & Stationery	27,371,704	28,055,639
Postage, Telegrams & Telephones	59,781,464	87,796,417
Rent	134,667,342	181,319,412
Rates & Taxes	46,793,484	35,866,228
Insurance	6,274,518	7,110,551
Advertisement & Other Marketing Expenses	165,044,080	187,358,968
Amortisation of Exchange Variation	73,066,667	—
Other Administrative Expenses	43,035,751	28,268,150
Legal & Professional Charges	21,326,522	28,641,594
	622,237,780	621,341,743

Schedules to Accounts

(Amount in ₹)

Particulars	Year ended 31-03-2011	Year ended 31-03-2010
16 PROVISION FOR TAX		
Provision For Taxation	42,568,907	49,654,205
Deferred Income Tax	59,410,137	62,941,659
	101,979,044	112,595,864

17 NOTES FORMING PART OF THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

General:

The financial statements of Country Club (India) Limited have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises accounting standards notified by the Central Government of India under Section 211 (3C) of the Companies Act, 1956, other pronouncements of Institute of Chartered Accountants of India, the provisions of Companies Act, 1956 and guidelines issued by Securities and Exchange Board of India.

Revenue Recognition :

- The company's business is to sell vacation ownership and provide holiday facilities and clubbing to members for a specified period each year, over a number of years, for which membership fee is collected either in full up front, or on installment basis. Membership fees, which is non-refundable, is recognized as income on admission of a member. Requests for cancellation of membership is accounted for when it is accepted by the Company. In respect of installments considered doubtful of recovery by the management, the same is treated as a cancellation and accounted for accordingly.
- Annual subscription fee dues from members are recognized as income on receipt basis.
- Income from resorts includes income from room rentals, food and beverages, etc. and is recognized when services are rendered.

Use of Estimates :

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

Investments :

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

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

Fixed Assets :

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

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

Depreciation :

Depreciation on fixed assets is provided using the straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956 or based on the useful life of

Schedules to Accounts

17 NOTES FORMING PART OF THE ACCOUNTS (Contd.)

the assets as estimated by Management, whichever is higher. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed. Individual assets costing less than 5,000 are depreciated in full in the year of acquisition. Assets acquired on finance leases are depreciated over the period of the lease agreement or the useful life whichever is shorter.

Capital Work-in-Progress :

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

Inventories :

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

Taxation :

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

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

Deferred tax: Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and is written-down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized. The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company has a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

Earnings Per Share :

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

Provisions and contingent liabilities:

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Retirement benefits to employees:

Provident fund

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

Leases:

Assets taken on lease where the company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The amount recorded

Schedules to Accounts

17

NOTES FORMING PART OF THE ACCOUNTS (Contd.)

is the lesser of the present value of minimum lease rental and other incidental expenses during the lease term or the fair value of the assets taken on lease.

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

Borrowing Cost:

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

Impairment of assets:

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

B. NOTES ON ACCOUNTS

1. In relation of Managerial Remuneration :

(Amount in ₹)

	Current Year	Previous Year
Directors’ Remuneration	1,26,00,000	1,29,00,000
Brand Ambassador Fee	48,00,000	48,00,000

2. Auditor's Remuneration :

(Amount in ₹)

	Current Year	Previous Year
Audit Fees	2,00,000	2,00,000
Tax Audit Fee	50,000	50,000
Certification Fee	50,000	50,000

Schedules to Accounts

17 NOTES FORMING PART OF THE ACCOUNTS (Contd.)

3. In the financial year 2008-09 the Company had restated the Foreign Currency Convertible Bonds at the exchange rates prevailing at the year end and the difference out of such restatement is transferred to "Foreign Currency Monetary Item Transaction Difference Account, to be written off over a period of three years." Accordingly Previous year 1/3 of the difference amount was transferred to P & L account. Similarly during the year also the same 1/3 of the difference amount was transferred to P & L account.

As per the terms of the Offer Circular, Unless the bonds have been previously redeemed, repurchased or converted, the company will redeem the bonds on December 22, 2011 at their redemption amount calculated from the Issue Date giving a yield to maturity of 8.25% p.a. compounded semi annually. Out of \$25 million, \$5 million has already been converted into Equity Shares in October, 2009.

4. During the financial year 2010-11 the Company has converted 31,04,285 Share Warrants into 43,45,999 equity shares of ₹2 at a premium of ₹14.26 per share. Subsequently the number of shares increased from ₹8,51,18,736 to ₹8,94,64,735 pursuant to the circular resolution dated 7th January 2011 which is passed by the Board of Directors of the Company.

During the financial year 2010-11 the company has also forfeited 7,00,000 partly paid Share Warrants of ₹770 to be converted into Equity Shares of ₹10 each at a premium of ₹760. Subsequently the Capital Reserve has increased from ₹6,36,88,694 to ₹11,75,88,694 pursuant to a resolution of the Board of Directors of the company at the Board Meeting held on 1st April 2010.

During the financial year 2010-11 the company has also issued 3,00,00,000 partly paid Share Warrants of ₹25 each to be converted into Equity Shares of ₹2 each at a premium of ₹23 pursuant to the circular resolution dated 13th July 2010 which is passed by the Board of Directors of the Company.

5. During the financial year 2010-11 the paid up capital of the company stands increased consequent to Issue and Allotment of Shares under the Conversion of Share Warrants dated 7th January 2011 as stated below:

Sl. No.	Date of Allotment of Shares	No. of Shares Allotted	Issue Price (Face Value + Share Premium) ₹
1	7th January 2011	43,45,999	16.26 (2 +14.26)

Consequent to the above the security premium account under Reserves & Surplus stands at ₹4,962,471,969 during the financial year 2010-11.

6. Detailed information regarding quantitative particulars under part II of Schedule VI to the Companies Act, 1956
- 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.
- ii) Income of the Company includes the following:

			(Amount in ₹)
Particulars	Current Year	Previous Year	
Guest Accommodation, Restaurants & Banquets	27,26,91,735	27,15,93,678	
Subscription from Members and Others	1,87,83,14,214	1,84,04,68,277	
Facilities	1,89,54,022	1,23,15,770	
Total	2,16,99,59,971	2,12,43,77,725	

- iii) Consumption of Provisions and Stores:

					(Amount in ₹)
Provisions & Stores	Opening Stock	Purchases	Closing Stock	Consumption	
Current year	42,26,908	7,41,99,678	41,48,233	7,22,78,353	
Previous year	53,86,777	8,82,50,573	42,26,908	8,94,10,442	

Schedules to Accounts

17 NOTES FORMING PART OF THE ACCOUNTS (Contd.)

7. Inflow and Outflow in Foreign Currency

a. Foreign Currency Inflow

(Amount in ₹)

Particulars	Current Year	Previous Year
Foreign Currency Inflow (Foreign Currency Inflow includes Membership Fee)	4,50,42,957	49,65,564

b. Foreign Currency Outflow as follows

(Amount in ₹)

Particulars	Current Year	Previous Year
Travelling expenses	3,68,837	57,306
Advance for Travelling & Other Expenses		41,14,293
Listing fees		4,80,300
Loan to Subsidiary Company		2,00,00,000
Investment in Subsidiary Company	53,49,300	2,00,00,000
Membership Fee related to Dubai		28,46,396

8. The company has not made any provision for Leave Encashment and Gratuity to its employees. Leave Encashment and Gratuity are accounted as and when payments are made and as such the Liability has not been ascertained.
9. There are no dues to SSI Units outstanding for more than 30 days.
10. The Closing balances shown under the heads debtors/creditors, loans and advances are subject to confirmations as at year end.
11. In accordance with Accounting Standard 22 (AS 22) issued by the ICAI, the Company has accounted for deferred tax and income tax as given below:

(Amount in ₹)

Particulars	Current Year	Previous Year
Income Tax	4,25,68,907	4,96,54,205
Deferred Tax	5,94,10,137	6,29,41,659

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

A.

Sl. No.	Name of the Related Party	Relationship
1	Amrutha Estates Pvt Ltd	Associate Company
2	Amrutha Estates & Hospitality Pvt Ltd	Associate Company
3	Zen Garden Hotel Pvt Ltd	Associate Company
4	Country Condo's Limited	Associate Company
5	Aquarian Realtors Pvt Ltd	Subsidiary Company
6	International Country Holidays Private Limited (formerly known as Aakruti Engineers Private Limited)	Subsidiary Company
7	Bush Betta Holiday Ownership Wildlife Adventure Resort Pvt Ltd	Subsidiary Company
8	Country Club Babylon Resorts Pvt Ltd	Subsidiary Company
9	J.J. Arts & Entertainments Pvt Ltd	Subsidiary Company

Schedules to Accounts

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NOTES FORMING PART OF THE ACCOUNTS (Contd.)

Sl. No.	Name of the Related Party	Relationship
10	Kolet Resort Club Pvt Ltd	Subsidiary Company
11	Bright Resorts Pvt Ltd	Subsidiary Company
12	Chanakyapuri Resorts Pvt Ltd	Subsidiary Company
13	Jade Resorts Pvt Ltd	Step-Down Subsidiary Company
14	Maruti Waterpark & Entertainments Pvt Ltd	Subsidiary Company
15	Country Vacations International Ltd - India	Subsidiary Company
16	Swimwel Investment & Trading Pvt Ltd	Subsidiary Company
17	Swami Vivekanand Training & Education Centre Pvt Ltd	Subsidiary Company
18	Country Vacations International LLC - Dubai	Step-Down Subsidiary Company
19	Country Vacations International Ltd - Dubai	Subsidiary Company
20	Country Vacations International LLC - Oman	Step-Down Subsidiary Company
21	Y. Rajeev Reddy	CMD
22	Y. Manjula Reddy	Director
23	Y. Varun Reddy	Vice-Chairman, JMD & COO
24	Club Arzee Limited	Subsidiary Company
25	Country Vacations International LLC-Abu Dhabi	Step-Down Subsidiary Company

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	9,00,000	39,12,000	55,30,200
Land		72,46,500	
Investments in Shares	13,18,81,300		
Membership Sale	1,35,00,000		
Directors Remuneration			1,26,00,000
Share Warrants		18,75,00,000	

13. The Basic and Diluted EPS is Calculated as under

(Amount in ₹)

Particulars	March 31st 2011	March 31st 2010
a) Profit after Tax (₹)	11,16,07,705	17,95,73,622
b) Earnings available to Equity Shareholders for Basic & Diluted EPS (₹)	11,16,07,705	17,95,73,622
c) Weighted average Number of Shares taken for computation of EPS		
- Basic	8,61,18,911	7,74,66,894
- Diluted	12,47,77,151	9,29,64,735
d) Earning per Share		
- Basic	1.30	2.32
- Diluted	0.89	1.93
e) Nominal Value per Share	2	2

Schedules to Accounts

17 NOTES FORMING PART OF THE ACCOUNTS (Contd.)

14. Secured Loans:

- a) Term Loans from Ratnakar Bank, Loan - I & II of ₹45 crores for expansion of existing Clubs and secured by way of mortgage of plot lying and hereon constructed thereon forming part of land bearing Survey No. 47 & 87 and bearing new city survey No. 723/A, Veera Desai Extension Road, Oshiwara, Andheri (West) Mumbai and freehold lands and premises situated at the plot of land farming part of land bearing survey No. 55/1, Khata No. 144/131(K) KIADB, Deevarabeesanhalli, Varthur Hobli, off Sarjapur Road, Bangalore South. The Outstanding Balance for the Current year is ₹37,97,81,527 (Previous Year ₹42,11,97,021).
- b) 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 ₹24,00,50,684 (Previous Year ₹25,29,73,633).
- c) 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 ₹34,28,63,422 (Previous Year ₹20,14,35,540).
- d) Term Loans from Oriental Bank of Commerce, Loan 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 ₹25,28,39,034 (Previous Year ₹ NIL).
- e) Term Loan from Religare Finvest Ltd, Loan of ₹4.25 Crores for expansion of existing Clubs and secured by way of mortgage of Club Arzee Limited, Survey No. 623 & 624/2 adujan, Surat, Gujarat. The Outstanding Balance for the Current year is ₹4,24,90,208 (Previous Year ₹ NIL).
- f) Equipment Finance loans from Citibank & Saraswat Co-Op Bank Ltd of ₹1.42 Crores for Vehicles and the same were secured by way of hypothecation of the vehicles. The Outstanding Balance for the Current year is ₹44,14,592 (Previous Year ₹55,70,934).
- g) 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 ₹2,37,43,180 (Previous Year ₹2,37,43,180).
15. During the year the company has reclassified Membership Refundable A/c from Unsecured Loans to Current Liabilities since these are payable within 12 months.
16. As per AS 17 Segment report, it is difficult to identify segment wise profitability and Capital Employed considering that infrastructure is common for all the revenue activities of the Company.
17. During the Current year the company has declared a dividend @ 5% on the Equity Shares of ₹2 Face Value. 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 2009-10	2,53,212
Unpaid Dividend for the year 2008-09	7,67,240
Unpaid Dividend for the year 2007-08	5,45,280
Unpaid Dividend for the year 2006-07	7,14,400

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

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

SIGNATURES TO SCHEDULES 1 To 17

As per our report of even date

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

for and on behalf of the Board of Directors
Country Club (India) Limited

P. Murali Mohana Rao
Partner
Membership No. 23412
Place: Hyderabad
Date : 01-09-2011

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

S. Subba Rao
Company Secretary

Cash Flow Statement for the year ended March 31, 2011

(₹ in Lakhs)

Particulars	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Taxation and Extraordinary Items	2,135.87	2,921.69
Adjustment For:		
Depreciation	1,842.68	1,327.11
Interest Expenses	1,373.93	395.89
Operating Profit before Working Capital Changes	5,352.48	4,644.69
Trade And Other Receivables	(2,257.90)	(3,433.04)
Inventories	(68.00)	(134.32)
Trade Payables	1,839.47	(786.96)
Cash Generated From Operations	4,866.05	290.37
Net Cash Flow From Operating Activities	4,866.05	290.37
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(8,956.90)	(5,953.17)
(Purchase of Fixed assets includes Capital Work in Progress)		
Miscellaneous Expenses incurred (to the extent not written off or adjusted)	730.67	730.67
Investments in Subsidiary Companies	(1,318.81)	(1,872.21)
Net Cash in Investing Activities	(9,545.06)	(7,094.71)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Shares	706.66	1,251.04
Proceeds from Issue of Warrants	1,159.37	(183.37)
Increase in Capital Reserve	539.00	360.00
Proceeds from Membership Fees	(1,123.23)	(1,229.81)
Proceeds from Long Term Loans	3,812.62	8,968.55
Received Unsecured Loans	57.00	(1,296.70)
Interest Paid	(1,373.93)	(395.89)
Net Cash Used in Financial Activities	3,777.49	7,473.82
Net Increase in Cash and Cash Equivalents	(901.52)	669.48
Cash and Cash Equivalents (Opening Balance)	2,246.33	1,576.85
Cash and Cash Equivalents (Closing Balance)	1,344.81	2,246.33

for and on behalf of the Board of Directors
Country Club (India) Limited

Place: Hyderabad
Date : 01-09-2011

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

S. Subba Rao
Company Secretary

Certificate

To
The Board of Directors,
Country Club (India) Limited
Hyderabad

We have examined the attached Cash Flow Statement of **M/s COUNTRY CLUB (INDIA) LIMITED** for the year ended 31st March, 2011. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 1st September, 2011 to the members of the Company.

Yours faithfully,

For **P. Murali & Co.,**
Chartered Accountants

Place : Hyderabad
Date : 01-09-2011

P. Murali Mohana Rao
Partner

Additional information as required under PART IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company’s General Business Profile

1. Registration Details

CIN	L	9	1	9	9	0	A	P	1	9	9	1	P	L	C	0	1	2	7	1	4	
Registration No.				1	2	7	1	4													0	1
Balance Sheet Date:	3	1		0	3		2	0	1	1												

2. Capital raised during the year (Amount 000's)

Public Issue						N	I	L							N	I	L
Bonus Issue						N	I	L							N	I	L
Preferential Issue			2	4	0	5	3	0									

3. Position of mobilization and deployment of funds (Amount 000's)

Total Liabilities	1	1	3	2	9	5	3	6														
Sources of Funds																						
Paid-Up Capital			1	7	8	9	2	9														
Secured Loans		1	2	8	6	1	8	3														
Application of funds																						
Net Fixed Assets		4	4	8	2	5	2	0														
Capital work-in-Progress		1	5	4	4	1	4	5														
Investments		2	4	0	1	4	5	8														
Total Assets	1	1	3	2	9	5	3	6														
Reserves & Surplus		6	4	3	9	1	9	1														
Unsecured Loans			9	0	5	7	8	0														
Net Current Assets		1	1	3	3	6	9	8														
Misc. Expenditure						N	I	L														
Accumulated Losses						N	I	L														

4. Performance of the Company (Amount 000's)

Turnover		2	1	6	9	9	6	0														
Total Expenditure		1	9	5	6	3	7	3														
Profit before Tax			2	1	3	5	8	7														
Profit after Tax			1	1	1	6	0	8														
Earnings Per Share						1	.	3	0													
Dividend Rate								5	%													

5. Generic Names of Principal Products/services of the Company

Item code No. (ITC code)	:	691
Product description	:	Food and Beverages
Item code No. (ITC code)	:	691
Product description	:	Facilities

As per our report of even date

for **P. Murali & Co.**
Chartered Accountants

for and on behalf of the Board of Directors
Country Club (India) Limited

P. Murali Mohana Rao
Partner
Membership No. 23412

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

S. Subba Rao
Company Secretary

Place: Hyderabad
Date : 01/09/2011

ELECTRONIC CLEARING SERVICE (ECS) MANDATE FORM

Member’s Authorization to receive dividends through Electronic Credit Clearing Mechanism

To
M/s. Aarthi Consulatants India Private Limited.
(Unit: Country Club (India) Limited)
H. No. 1-2-285, Domalguda,
Hyderabad – 500 029

Shareholders authorization to receive dividends through Electronic Credit Clearing Mechanism

Registered Folio No:	ECS Ref. No.: (For office use only)
Name of the first / Sole Shareholder	
Bank Name	
Branch Address & Telephone No. of Branch	
Bank Account Number (As appearing on the Cheque Books)	
9 digit code number of the Bank and Branch appearing on the MICR cheque issued by the Bank (Please attach a blank cancelled cheque, or a photocopy (Xerox copy) of a Cheque issued to you by your bank, for verification of the above particulars).	
Account Type (Please tick the option)	
	Savings
	Current
	Cash Credit
Bank Account Ledger Folio No. (if any)	
Effective date of this mandate	

I hereby declare that the particulars given above are correct and complete. If the payment transaction is delayed or not effected at all for any reasons, including but not limited to incomplete or incorrect information, I will not hold M/s. Country Club (India) Limited responsible. I agree to discharge the responsibility expected of me as a participant under the scheme.

I, further undertake to inform the Company of any subsequent change(s) in the above particulars.

Place:

Name of the First Holder : _____

Date:

Signature of the First Holder : _____

Note:

- 1. Please fill in the information in CAPITAL LETTERS in ENGLISH ONLY.
- 2. In case of shareholders holding the equity shares in demat form, the shareholders are requested to provide details to their respective Depository participants. Shareholders are also requested to note that changes, if any, intimated by the Demat Account holders directly to the Company will not be considered.

20th Annual General Meeting

Country Club (India) Limited

Registered office: "Amrutha Castle", 5-9-16, Saifabad, Opp: Secretariat, Hyderabad 500 063

Attendance Slip

Date

30th September, 2011

Venue

Shri Agrasen Bhavan

149, Brig Sayeed Road, Sappers Line, Secunderabad - 500 003

Time

11:00 a.m.

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

I certify that I am a registered shareholder of the Company and hold above-mentioned shares in the Company and hereby record my present at the 20th Annual General Meeting of the Company.

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.

20th Annual General Meeting

Country Club (India) Limited

Registered office: "Amrutha Castle", 5-9-16, Saifabad, Opp: Secretariat, Hyderabad 500 063

Proxy Form

Regd. Folio No.: _____

DP ID No. _____

No. of shares _____

Client ID No. _____

I/We_____ of _____ being Member/Members of Country Club (India) Limited hereby appoint _____ of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the 20th Annual General Meeting of the Company to be held on Friday, 30th September, 2011 at 11.00 a.m. at Shri Agrasen Bhavan, # 149, Brig. Sayeed Road, Sappers Line, Secunderabad - 500003 and at any adjournment thereof.

As witness my/our hand (s) this _____ day of _____ of 2011

Signed by the said _____



Note: This Proxy Form in order to be effective should be duly filled in, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting. The Proxy need not be member of the Company.