

refresh

Country Club (India) Limited | Annual Report 2011-12



Why go anywhere else

www.countryclubindia.net

adva | info@advacomunique.com

Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipate’, ‘estimate’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’, and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Contents

- Corporate identity 02 ■ Milestones 05 ■ From the Management’s desk 12 ■ Corporate information 17
- Notice 18 ■ Directors’ report 24 ■ Management discussion and analysis 28 ■ Corporate governance report 30
- Auditors’ report on Consolidated Financials 43 ■ Consolidated Balance Sheet 44 ■ Consolidated Statement of Profit and Loss 45 ■ Consolidated Cash Flow Statement 46 ■ Notes to the Consolidated Financial Statements 48
- Statement 212 66 ■ Auditors’ report 69 ■ Balance Sheet 72 ■ Statement of Profit and Loss 73
- Cash Flow Statement 74 ■ Notes to the Financial Statements 76

Refresh.
Rejuvenate.
Re-energise.

Many metaphors. One company.

Country Club. A company that has not only reinvented its business and performance, but also revolutionised the concept of leisure.

vision

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

mission

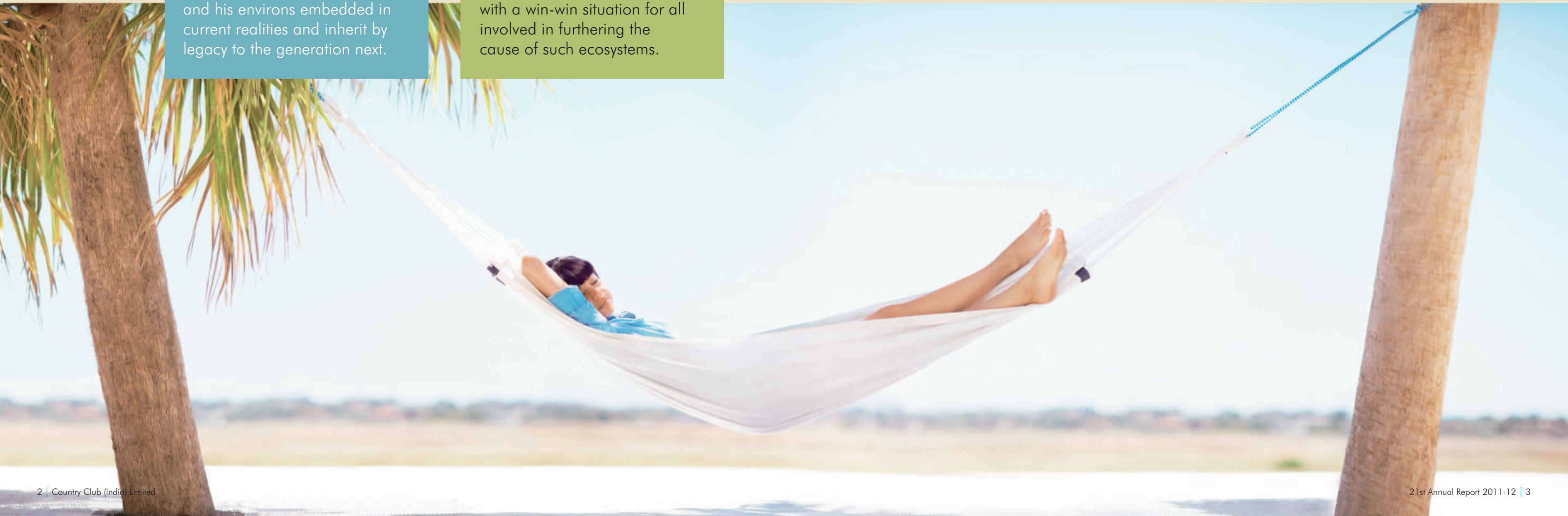
To deliver experiences that nurture relationships and contribute to a wholesome wellness lifestyle in a stress free, eco-friendly environment to the member community, with a win-win situation for all involved in furthering the cause of such ecosystems.

about us

- CCIL was conceived in the year 1991
- A service-driven organization of repute that comprises over 3500 people
- Consists of a varied range of owned and franchised properties across geographies
- Spread across more than 50 destinations spanning India,

Middle East, Bangkok and Sri Lanka
(combination of owned and leased properties)

- Enjoys a 220-plus Indian and global affiliations (via Country Vacations) and 3900 resorts (via RCI affiliation) and also listed on the BSE
- Headquartered in Hyderabad (India)



Our pride

- We are the country's biggest chain of family clubs (recognized by the Limca Book of World Records)
- We are a company of 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 collaborations with ICICI Bank, Citibank, Standard Chartered, SBI, HDFC Bank, Kotak Mahindra & Axis Bank for interested members.
- Guinness Book of World Records has recognized CCIL's Earth Hour social responsibility. Thus we can now call ourselves recognized by the Guinness Book of World Records.

Our geographical presence

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

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

Our offerings

- State-of-the-art clubbing facilities, innovative family holiday packages and star-studded entertainment events.
- Offers wide range of member centric facilities including real-time online Holiday Booking & Payment Gateway, state-of-the-art Club Houses, luxuriously furnished and fully equipped guest cottages, suites and rooms, multi-cuisine restaurants, lounge & resto-bars, modern gyms with Spa, Massage, Steam & Sauna facilities, floating spa, jungle safari, Ayurvedic & Naturopathy therapies, Yoga facilities, and many more.
- We offer unique transferability of membership from one city to another.

Our luxurious 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 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 near Chennai.
- Country Spa Country Club Coconut Grove: First major 100% eco-friendly leisure infrastructure project.

milestones

1991

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 and expansion to Abudhabi & Muscat

2011

International expansion to Bahrain & Qatar



rejuvenate

**THE HOSPITALITY
SECTOR CONTINUES
TO REJUVENATE THE
INDIAN ECONOMY,
GIVING IT A FRESH
LEASE OF LIFE,
YEAR-ON-YEAR.**

Tourism and Hospitality in India is the largest service industry contributing up to 6.23 per cent to the National Gross Domestic Product (GDP) and providing 8.78 per cent of the total employment opportunity in India.

The hotel and tourism industry's contribution to the Indian economy by way of foreign direct investments (FDI) inflows were pegged at US\$ 2.35 billion from April 2000 to February 2011, according to the Department of Industrial Policy and Promotion (DIPP). But, there has been a rush of international hotel chains towards India since the latter half of 2010. A lot of major hotels have announced their plans to expand their footprints in India. Thus, the domestic hospitality sector is expected to see investments of over US\$ 11 billion by 2012, with 40 international brands making their presence in the country in the next few years.

The growth trend is likely to be driven across all segments, with international and domestic travel all growing at a healthy pace. However, domestic travellers, who constitute a significant majority of the Indian hospitality sector, will fuel growth in newer geographies and help develop different categories for hotels.

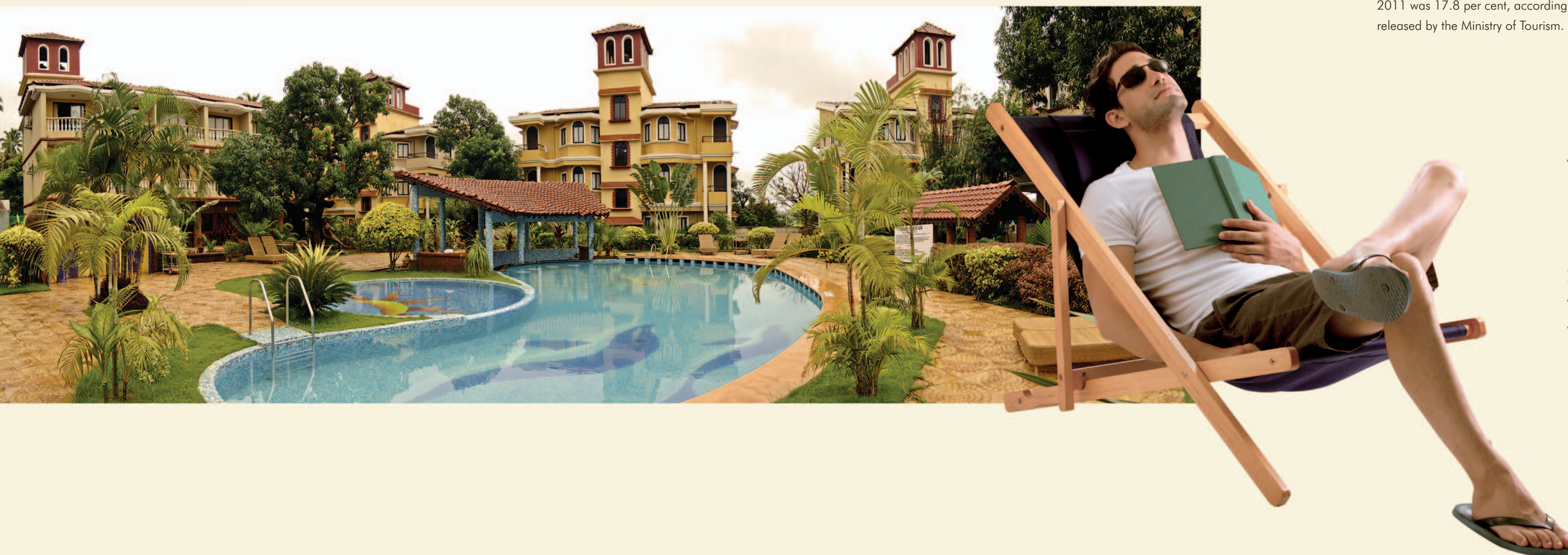
reach

THE HOSPITALITY SECTOR CONTINUES TO REACH OUT TO MORE AND MORE INTERNATIONAL TOURISTS EAGER FOR AN IN-BOUND VISIT.

The country will definitely be one of the most favourite tourist destinations from 2009 to 2018, according to the World Travel and Tourism Council (WTTC). Further, the Travel and Tourism Competitiveness Report by the World Economic Forum, has ranked India at the sixth place in tourism and hospitality.

Foreign Tourist Arrivals (FTAs) during the Month of April 2012 was 452,000 as compared to FTAs of 438,000 during the month of April 2011 registering a growth of 3.3 per cent. Foreign Exchange Earnings (FEE) during the month of April 2012 were ₹6,745 crore (US\$ 1.2 billion) as compared to ₹5,724 crore (US\$ 1.02 billion) in April 2011. The growth rate in FEE in rupee terms in April 2012 over April 2011 was 17.8 per cent, according to the data released by the Ministry of Tourism.

The Indian hospitality industry, on the other hand, is projected to grow at a rate of 8.8 per cent during 2007-16, placing India as the second-fastest growing tourism market in the world.



realign

THE HOSPITALITY SECTOR CONTINUES TO REALIGN ITS FOCUS AND CATER TO MORE AND MORE DOMESTIC TRAVELERS IN THE MID-MARKET SEGMENT.

At a time when the government is working 'proactively' to achieve the target of 1.1 crore tourist footfalls every year in the country, hospitality industry in India is largely showing way to increased development in the mid-market and budget space in the sector.

Industry experts say that the next two years will be a phase of building before the high growth trajectory emerges in this sector mainly driven by domestic travelers. Analysts say that as the hospitality sector's focus has moved from international travelers to domestic travellers, more than 40 percent hotels in the country will be in the mid-scale segment in next one to two years.

Hospitality experts say as the domestic middle-class will make the bulk of tourist population, more branded mid-scale and budget hotels will see brisk business.



It is estimated that in year 2011, just 1 percent of the tourists were foreigners, rest all the growth momentum was maintained by 80 crore domestic tourists.



FROM THE MANAGEMENT’S DESK

“THE INDIAN
TOURISM INDUSTRY
HAS BEEN ON AN
UPSWING FOR LAST
FEW YEARS PARTIALLY
DUE TO AN
EXCELLENT
‘INCREDIBLE INDIA’
CAMPAIGN AND IS
EXPECTED TO RISE UP
TO US\$ 431.7
BILLION BY THE END
OF 2020.”



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

Growth trends

The tourism and hospitality sector’s direct contribution to the GDP in 2011 was estimated at US\$ 32.7 billion. It registered a compound annual growth rate (CAGR) of 13 per cent during 2006-11. Total contribution increased to US\$ 76.7 billion in 2011 from US\$ 56.3 billion in 2009. The total contribution comprises direct, indirect and induced contribution to the GDP.

- Foreign Tourist Arrivals (FTAs) during the Month of April 2012 was 452,000 as compared to FTAs of 438,000 during the month of April 2011.
- Indian medical tourism is a sunrise sector valued at more than US\$ 310 million. Currently, India receives more than 100,000 foreign patients a year. 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.

Foreign Direct Investment

Foreign direct investment (FDI) of up to 100 per cent is permissible in the sector through the automatic route. The term hotels include restaurants, beach resorts, and other tourist complexes providing accommodation and/or catering and food facilities to tourists. Tourism related industry include travel agencies, tour operating agencies and tourist

transport operating agencies, units providing facilities for cultural, adventure and wild life experience to tourists, surface, air and water transport facilities to tourists, leisure, entertainment, amusement, sports, and health units for tourists and convention/seminar units and organisations.

According to data released by the Department of Industrial Policy and Promotion (DIPP), the hotel and tourism sector has attracted FDI worth ₹14,770.58 crore (US\$ 2.64 billion) between April 2000 and January 2012.

Government initiatives

The Ministry of Tourism functions as the nodal agency for the development of tourism in the country. It plays a crucial role in coordinating and supplementing the efforts of the State/Union Territory Governments, catalysing private investment, strengthening promotional and marketing efforts and in providing trained manpower resources.

Augmentation of quality tourism infrastructure throughout the country is a key area of functioning of the Ministry. More than 50 per cent of the Ministry’s expenditure on Plan schemes is incurred for development of quality tourism infrastructure at various tourist destinations and circuits in the States/ Union Territories (UTs).

The tourism and
hospitality sector’s
direct contribution
to the GDP in 2011
was estimated at
US\$ 32.7 billion.

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

Some of the major initiatives taken by the Government of India to promote tourism and hospitality sector in the country are:

- Gujarat has allocated ₹400 crore (US\$ 71.6 million) for tourism promotion in the State during the current fiscal. The amount includes ₹120 crore (US\$ 21.49 million) as grant which has been approved by the Planning Commission for 2012-13.
- The Andhra Pradesh Tourism Development Corporation (APTDC) is investing ₹300 crore (US\$ 53.72 million) to implement nine hotel projects and develop new facilities, including three eco-tourism sites.
- In an endeavour to give a stimulus to the 'Incredible India' campaign and cinema as a sub-brand of Incredible India, at various international film festivals abroad, the Ministry of Information and Broadcasting (I&B) and Ministry of Tourism have signed a memorandum of understanding (MoU) to provide support for film tourism.
- It is proposed to promote places of tourist interest under the control of the Central Agencies. The developmental work under this Scheme taken up by the Central Agencies should follow prescribed norms and the monuments/structure should be restored to its original form/condition.
- State Tourism Development Corporations are entrusted with responsibility of formulating and implementing Rural Tourism Projects in consultation with District Collectors/Deputy Commissioners to ensure convergence from other *yojnas*, schemes and allocations for broader/integrated development at the site to benefit local communities.
- The Department of Tourism will provide financial assistance to State Governments / UT Administrations for organising fairs / festivals and tourism related events such as seminars, conclaves, conventions etc. for the promotion of tourism.

Road ahead

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

The presence of world-class hospitals and skilled medical professionals make India a preferred destination for medical tourism. The segment could



earn India US\$ 2.2 billion per year by 2012. Tour operators are teaming up with hospitals to tap this market.

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

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

Signed

Y Rajeev Reddy
CMD

Resplendent events at Country Club



Corporate Information

Board of Directors

Shri Y. Rajeev Reddy

Shri Y. Siddharth Reddy

Shri Y. Varun Reddy

Shri D. Krishna Kumar Raju

Smt. Y. Manjula Reddy

Shri D. Venkata Ratna Kishore

Shri D. Venkata Krishnam Raju

Shri K. Satyanarayana Raju

Shri Indukuri Venkata Subba Raju

Shri Y. Subba Rao

Chairman and Managing Director

Vice-Chairman, Joint Managing Director and CEO

Vice-Chairman, Joint Managing Director and COO

Vice-Chairman & Executive Director

Director

Director

Director

Director

Director

Director

Company Secretary : Shri S. Subba Rao

Contacts

Registered Office

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

Phone: +91 40 6684 8888

Fax: +91 40 6684 3444

Website: www.countryclubindia.net

Registrar and Share Transfer Agents

Aarthi Consultants Private Limited
1-2-285, Domalguda,
Hyderabad - 500 029

Phone: +91 40 2763 8111

+91 40 2763 4445

Fax: +91 40 2763 2184

Website: www.aarthiconsultants.com

E-mail: info@arthiconsultants.com

Auditor

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

Bankers

Union Bank of India, Hyderabad
Axis Bank Limited, Hyderabad
ICICI Bank Limited, Hyderabad

Listed on

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

Book Closure Dates: 27th September, 2012 to 29th September, 2012 (Both days inclusive)

Notice

NOTICE is hereby given that the 21st Annual General Meeting of the members of M/s. Country Club (India) Limited will be held on **Saturday, the 29th Day of September, 2012 at 10.30 A.M at Sri Agrasen Bhavan, # 149, Brig. Sayeed Road, Sappers Line, 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 on 31st March 2012 and the audited Balance Sheet as on that date together with the notes thereto and the Reports of the Auditors and Directors thereon.
2. To declare a dividend on the equity shares of the Company.
3. To appoint a Director in place of Sri K. Satyanarayana Raju, Director who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Sri D. V. Ratna Kishore, Director who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Sri Y. Subba Rao, Director who retires by rotation and being eligible offers himself for re-appointment.
6. 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 may be applicable and reimbursement of

actual out of pocket expenses as may be incurred in the performance of their duties, as the Board of Directors may fix in this behalf”.

Special Business:

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 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 the 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 100 Million (US dollars One Hundred 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 building 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, matters 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 to 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”.

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. D. Krishna Kumar Raju, “Vice-Chairman & Executive Director” for a further period of 5 (Five) Years with effect from 1st October 2012:

1. Salary of ₹2,50,000 (Rupees Two Lakh Fifty Thousand only) per month. This includes dearness allowance and all other allowances not otherwise specified herein.
2. In addition, Mr. D. Krishna Kumar Raju will be entitled to the following 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.
- f) This will not include the admission and life membership fees.
- g) Personal accident insurance – the premium of which shall not exceed ₹10,000/- per annum.
- h) Contribution to provident fund, superannuation fund, annuity fund to the extent the same are not taxable under the Income Tax Act.
- i) Provision of car with driver for use of the Company’s business and telephone at the residence.

Overall Remuneration:

The aggregate of the salary, 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 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.

**For and on behalf of the Board
For Country Club (India) Limited**

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 27th September, 2012 to 29th September, 2012 (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 26th September, 2012. Dividend warrants are scheduled to be posted on or after 4th October, 2012, however within 30 days of declaration of dividend in the 21st AGM. Dividend warrant is valid for payment by the Company’s bankers for three months from the date of issue. Thereafter, you may contact our Registrar and Share Transfer Agent i.e. M/s. Aarhi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad - 500 029, for re-validation 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 25th November, 2014, For Financial Year 2007 – 08 is 30th October, 2015, For Financial Year 2008 – 09 is 23rd November, 2016, For the Financial Year i.e. 2009 – 10 is 21st November, 2017 and For the Financial Year i.e. 2010 – 11 is 24th November, 2018. For the Current Financial Year i.e. 2011 – 12 is 24th November, 2019 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 made mandatory for the Companies to 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 dematerialised 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 # 7

Approval for Further Issue of Securities:

The Company is planning expansion programme and to 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(1A) 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 are interested in the above resolution except to the extent to which they may participate in the proposed issue.

Item # 8:

Re-Appointment of Mr. D. Krishna Kumar Raju, as Whole-Time Director of the Company with the designation “Vice-Chairman and Executive Director.”

The existing tenure of Mr. D. Krishna Kumar Raju, Vice Chairman & Executive Director expires on 30th September, 2012. He has been associated with the Company with effect from 27th November 2004. He has done Bachelor Degree in Commerce. He possesses rich experience and exposure in the operations and administration of the Corporate. Keeping in view the immense contribution made by him to the Company, the remuneration committee has recommended for his re-appointment for further period of 5 years w.e.f. 1st October, 2012. Board of Directors recommends his appointment. As per the provisions of the Companies Act, 1956, approval of Members in General Meeting is required for the appointment of Mr. D. Krishna Kumar Raju as a Wholetime Director of the Company with a designation referred above.

Except D. Krishna Kumar Raju, none of the Directors are interested or concerned in the proposed resolution.

Place: Hyderabad
Date: 03/09/2012

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

Y. Rajeev Reddy
Chairman & Managing Director

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	:	Sri K. Satynanarayana Raju
	Age	:	65 years
	Qualification	:	Undergraduate
	Expertise	:	Vast Experience in Construction and Real Estate
	Other Directorships	:	Nil
	Shareholding in the Company	:	Nil
2	Name	:	Sri D. V. Ratna Kishore
	Age	:	73 years
	Qualification	:	B. Tech.
	Expertise	:	Vast Experience in Textile Industry
	Other Directorships	:	3 (Alternate Directorships)
	Shareholding in the Company	:	NIL
3.	Name	:	Y. Subba Rao
	Age	:	74 years
	Qualification	:	B.Com.
	Expertise	:	Vast Experience in Administration, Finance, Accounts and Audit
	Other Directorships	:	NIL
	Shareholding in the Company	:	NIL
4	Name	:	D. Krishna Kumar Raju
	Age	:	55 years
	Qualification	:	B. Com (Hons.)
	Expertise	:	Vast Experience in Finance, Pharma and Hotel Management
	Other Directorships	:	16
	Shareholding in the Company	:	2,10,215

Directors' Report

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

The Directors have pleasure in presenting the 21st Annual Report of the Company together with Audited Annual Accounts for the year ended 31st March, 2012.

Financial results

Particulars	Consolidated (Mar' 12)		Standalone (Mar' 12)	
	Current Year	Previous year	Current Year	Previous year
Total Income	37,204.41	32,414.35	24,695.53	21,699.60
Operating profit before interest, depreciation and tax	11,892.96	9,698.66	6,462.84	5,352.47
Interest and financial charges	2,498.21	2,109.93	1,935.68	1,942.11
Depreciation	3,130.60	2,890.95	1,950.46	1,842.68
Profit before taxation	6,264.15	5,280.77	2,576.69	2,135.86
Provisions for taxation	1,305.74	1,075.45	1,241.43	1,019.79
Profit after taxation	4,958.41	4,205.32	1,335.26	1,116.08
Transfer to General Reserves	Nil	Nil	Nil	Nil
Provision for dividend	89.46	89.46	89.46	89.46
Provision for dividend tax	14.51	14.51	14.51	14.51
Surplus carried to Balance Sheet	4,854.44	4,101.35	1,231.29	1,012.11

Results of operations

During the year under review, the turnover of the Company was ₹372.04 Crores as compared to ₹324.14 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

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

of interest.

The country will definitely be one of the favourite tourist destinations from 2009 to 2018, according to World Travel and Tourism Council (WTTC). Further, the Travel and Tourism Competitiveness Report by World Economic Forum, has ranked India at the sixth place in tourism and hospitality.

Key segments of the Indian tourism and hospitality industry are:

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

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

The presence of world-class hospitals and skilled medical professionals make India a preferred destination for medical tourism. The segment could earn India US\$ 2.2 billion per year by 2012. Tour operators are teaming up with hospitals to tap this market.

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

a fabulous tourist destination for cruise tourists.

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

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 ₹1.04 Cr including Dividend Tax. Dividend on Equity Share Capital for the year ended 31st March, 2012, which if approved by the 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 (₹)
2010 – 2011	2,49,271
2009 – 2010	2,48,132
2008 – 2009	7,65,514
2007 – 2008	5,44,080
2006 – 2007	7,13,228

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, 2012.

The entire Paid-up Share Capital of your Company is listed with both the Stock Exchange(s) namely, M/s. Bombay Stock Exchange Limited and M/s. Madras Stock Exchange Limited.

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	₹6,98,12,905
Foreign Currency Expenditure / Outflow	₹29,40,16,150

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 as Managing Director Remuneration and 48,00,000 is paid towards brand ambassador fee).
Qualification	B. Com (Hons)
Exp. (in years)	25 years
Date of commencement of Employment	17-05-1991
Age	55 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, Sri. K. Satynarayana Raju, Sri. D. V. Ratna Kishnore and Sri.Y. Subba Rao, Directors of the Company, retire by rotation at the 21st 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 recommends their reappointment by the Members at the ensuing 21st 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 2012, 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 2012 and of the Profit of the Company for the Financial Year ended 31st March 2012.
- 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 2012 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 (MSE) and the Company has paid the annual listing fees up to 2012-13.

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, 2012:

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:

- Country Club Babylon Resort Private Limited, Sri Lanka
- Country Vacations International Limited, Dubai
- Country Vacations International LLC, Dubai*
- Country Vacations International LLC, Oman*
- Country Vacations International LLC, Abu Dhabi*
- Country Vacations International W.L.L, Bahrain*
- Country Club and Vacations WLL, Qatar*

*Has become subsidiary of the Company under Section 4(1) (c) of the Companies Act, 1956.

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

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

Further your Company hereby undertakes that Annual Accounts of the Subsidiary Companies and the related detailed information shall be made available to the Shareholders of the Company and Subsidiary Companies seeking such information at any point of time. The Annual Accounts of the Subsidiary Companies shall also be kept open for inspection for the Shareholders at the Registered

Place: Hyderabad

Date: 03/09/2012

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

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

Management Discussion and Analysis

Tourism and Hospitality in India is the largest service industry contributing up to 6.23 per cent to the National Gross Domestic Product (GDP) and providing 8.78 per cent of the total employment opportunity in India. Tourism industry in India has the ability to reign as the one of the most visited tourist addresses of the world as the demand is uprising by 10% annually. This discovery is made by the World Travel and Tourism Council or the WTTC.

India ranks in the 153rd position spending 0.9% for tourism. India’s tourism and hospitality industry is experiencing a strong period of growth, driven by the burgeoning Indian middle class, growth in high spending foreign tourists, and coordinated government campaigns to promote ‘Incredible India’.

The tourism industry in India is substantial and vibrant, and the country is fast becoming a major global destination. India’s travel and tourism industry is one of the most profitable industries in the country, and also credited with contributing a substantial amount of foreign exchange.

Hospitality industry

The hotel industry in India thrives largely due to the growth in tourism and travel. Due to the increase in tourism with rising foreign and domestic tourists, hotel sector is bound to grow as it will provide lodging and food to these tourists. Emergence of budget hotels in India to cater to the majority of the population who seek affordable stay has materialized into an effective driver for growth. This sector will benefit due to certain Government regulations that will steer this sector towards growth.

The factors for growth of the market includes growth in tourism, opening of the aviation sector,

emergence of budget hotels, shortage of hotel rooms and major events. India being a land of rich natural diversity has consistently been on the tourists’ radar and tourism has been on a growth trajectory. India is presently considered as a provider of low cost medical treatments which has led to the development of India as a destination for medical tourism. These factors have contributed to the growth of tourism which is a powerful driver for growth of the hotel sector. The opening up of the aviation sector has provided the needed thrust. Major players diversifying into the mid-market segment to develop budget hotels has also been an

added driving force. Such hotels are constructed to tap prospective consumers who seek stay at affordable price. International companies are increasingly looking at setting up such hotels. Imbalance in increase in tourists both domestic and foreign not been supported with equal number of rooms is a latent source of opportunity for growth. Additionally, the rise in major events being organized in India has also posed as a chief driver for the sector.

By 2015, the Indian Hotel Industry is expected to reach ₹230 billion, growing at a robust CAGR of over 12.2%. A total investment of ₹448 billion is expected in the next five years.

India is currently ranked 12th in the Asia Pacific region and 68th overall in the list of the world's attractive destinations, according to the Travel and Tourism Competitiveness Report 2011 by the World Economic Forum (WEF).

Despite global economic woes, development of hotels in India has been one of the most lucrative investments. As per Cygnus estimates, total supply (number of hotel rooms) in India is expected to reach more than 180,000 within five years. Various domestic and international brands have made significant inroads into this space and more are expected to follow; around 40 international brands will enter the country in the next five years.

Indian Hotel Industry holds a huge potential due to the positive impact of demand-supply scenario, growth drivers, investments and government initiatives for hotel and tourism sector. To develop a better understanding of the industry, Cygnus has come out with a comprehensive Industry insight -

Indian hotel industry, which brings out the past performance, trends and future prospects keeping in mind the various factors.

Investments

Foreign direct investment (FDI) of up to 100 per cent is permissible in the sector through the automatic route. The term hotels include restaurants, beach resorts, and other tourist complexes providing accommodation and/or catering and food facilities to tourists. According to data released by the Department of Industrial Policy and Promotion (DIPP), the hotel and tourism sector has attracted FDI worth ₹14,770.58 crore (US\$ 2.64 billion) between April 2000 and January 2012.

The India connect

With 740 million domestic travellers (in 2011) and over 6.3 million FTAs, India, after China, is considered one of the most lucrative hotel markets in the world and has the second largest construction pipeline in Asia. Growing affluence and the increasing role India is expected to play in the global economy are likely to drive both leisure and business travel in the coming years. For most global hotel majors a significant part of their hotel pipeline is centered on faster growing developing markets like India. India has an estimated 1, 70,000 hotel rooms of which around 60,000 are branded. Even with the expected addition of another 60,000 hotel rooms (across segments) over the next three to five years, the industry is expected to fall short of meeting the long term demands of an economy growing at 7-9% p.a.

The future scenario

ICRA expects a mild recovery in the Indian hotels

industry’s operating metrics with the start of the next season in Q3, 2012-13, supported by improving economic activity. With inflation expected to moderate in the coming quarters, ICRA expects the industry to post margin improvement supported by ARR growth of 5-8%. ICRA further expect sustained traction in the industry to return by 2013-14. However, we expect the heavy supply pipeline in markets like the NCR, Chennai, Hyderabad and Kolkata to pressure tariffs over the next two-three years. Also, any unexpected adverse development in the global economy would have a direct bearing on discretionary corporate and leisure travel from overseas, besides also impacting the domestic economic growth. Over the medium term we expect a structural change, with supply in the industry diversifying across price points. Further with the entry of international brands in the economy segment standardization of product offerings is expected. The market is expected to move towards a sustainable value-for-money proposition.

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, rise in input costs and significant changes in the political and economic environment in India, environment stands, tax laws, litigation and labour relations.

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

The Company complies with the requirements regarding Corporate Governance as stipulated under Clause 49 of the Listing Agreement of the Stock Exchange

where its shares are listed.

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

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

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 Indukuri 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 Meeting held during the Financial Year ended on 31st March, 2012, for which the details are as follows:

No. of Quarters	Quarter I	Quarter II	Quarter III	Quarter IV
Dates of Board Meetings	15th May, 2011	14th August, 2011	14th November, 2011	9th January, 2012
			17th November, 2011	14th February, 2012
	22nd June, 2011	1st September, 2011	15th December, 2011	21st March, 2012

The last Annual General Meeting was held on 30th September, 2011.

(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
Sri Y. Rajeev Reddy	14	NIL	8	Yes
Sri Y. Siddharth Reddy	14	NIL	9	Yes
Sri Y. Varun Reddy	10	NIL	8	Yes
Sri D. Krishna Kumar Raju	7	NIL	8	Yes
Smt. Y. Manjula Reddy	5	NIL	7	No
Sri D. Venkata Krishnam Raju	NIL	NIL	7	No
Sri D. Venkata Ratna Kishore	NIL	NIL	10	Yes
Sri K. Satyanarayana Raju	NIL	NIL	10	Yes
Sri Indukuri Subba Raju	NIL	NIL	10	Yes
Sri 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 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 litigation's, show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents, dangerous occurrences, and material effluent or pollution problems.
- Any materially relevant defaults in financial obligations to and by us.
- Any issue that involves possible public or product liability claims of a substantial nature
- Details of joint ventures, acquisitions of companies or collaboration agreements
- Transactions that involve substantial payments 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 03/09/2012. 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 and Vice – Chairman, Joint Managing Director & CEO.

3. Audit Committee

TThe 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 2011; 14th August 2011; 14th November 2011 and 14th February 2012 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 Directors 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 the 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) 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:

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

(iii) Details of remuneration to the Directors for the year

Name of the Director	Relationship with other Directors	Business relationship with other Directors	Loans and advances from the Company	Remuneration paid during the Financial Year			
				Sitting Fee	Salary	Commission	Total (₹)
Shri Y. Rajeev Reddy	Related to Smt. Y. Manjula Reddy, Shri Y. Siddharth Reddy and Shri Y. Varun Reddy	Promoter Director Chairman and Managing Director	NA	NA	36,00,000	NA	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	NA	NA	30,00,000	NA	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	NA	NA	30,00,000	NA	30,00,000
Shri. D. Krishna Kumar Raju	Not Applicable	Vice-Chairman & Executive Director	NA	NA	30,00,000	NA	30,00,000

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

5. Shareholders'/Investors' Grievance Committee

The Committee oversees share transfers and monitors investor grievances. To look into the redress-al 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 Indukuri 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 2011 – 2012 was 15 and all the complaints were resolved. No complaints were outstanding as on 31st March, 2012.

6. General Body Meetings

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

AGM	Year	Venue	Date	Time
20th	2010-11	Agrasen Bhavan, 149, Brig Sayeed Road, Sappers Line, Paradise, Secunderabad – 500 003	30-09-2011	11:00 a.m.
19th	2009-10	Agrasen Bhavan, 149, Brig Sayeed Road, Sappers Line, Paradise, Secunderabad – 500 003	30-09-2010	12:00 noon
18th	2008-09	Agrasen Bhavan, 149, Brig Sayeed Road, Sappers Line, Paradise, Secunderabad – 500 003	30-09-2009	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, 2011	03	<ul style="list-style-type: none">Approval from the shareholders of the Company pursuant to Section 81(1A) of the Companies Act, 1956, to raise the funds to an extent of USD 150 Million (US dollars One Hundred and Fifty Million only).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.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
30th Sep, 2010	01	<ul style="list-style-type: none">Re-appointment of Mr. Y. Siddharth 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.

c) No Special Resolution was passed through Postal Ballot during the year 2011-12.

d) No Special Resolution is proposed to be passed through Postal Ballot during the year.

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 transaction with the related parties is in conflict with the interest of the Company.

2. Details of non-compliance by the Company, penalties and strictures imposed on it by Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets during the last three years: None

3. Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this clause:

Your Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement. The details of these compliance's have been given in the relevant sections of this report.

Notes on Directors’ appointment/ re-appointment
Relevant details are given as additional Information forming part of the Notice of the Annual General Meeting/Directors’ Report.

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.

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 websites, www.countryclubindia.net / www.countryclubindia.com

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 2012-13.

11. General shareholder information:

a) Details of 21st Annual General Meeting

Date : 29th September, 2012

Time : 10.30 A.M

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

b) Financial calendar 2012-13 (tentative schedule)

(i) AGM for the financial year ended on 31st March, 2013 : Before the end of September, 2013

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

■ 30th June, 2012	: Second Week of August, 2012
■ 30th September, 2012	: Second Week of November, 2012
■ 31st December, 2012	: Second Week of February, 2013
■ 31st March, 2013	: Second Week of May, 2013

c) **Date of book closure :**
27th September, 2012 to 29th September, 2012 (both days inclusive)

d) **Dividend payment date(s) :**
Dividend will be paid on or after 4th October, 2012.

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.

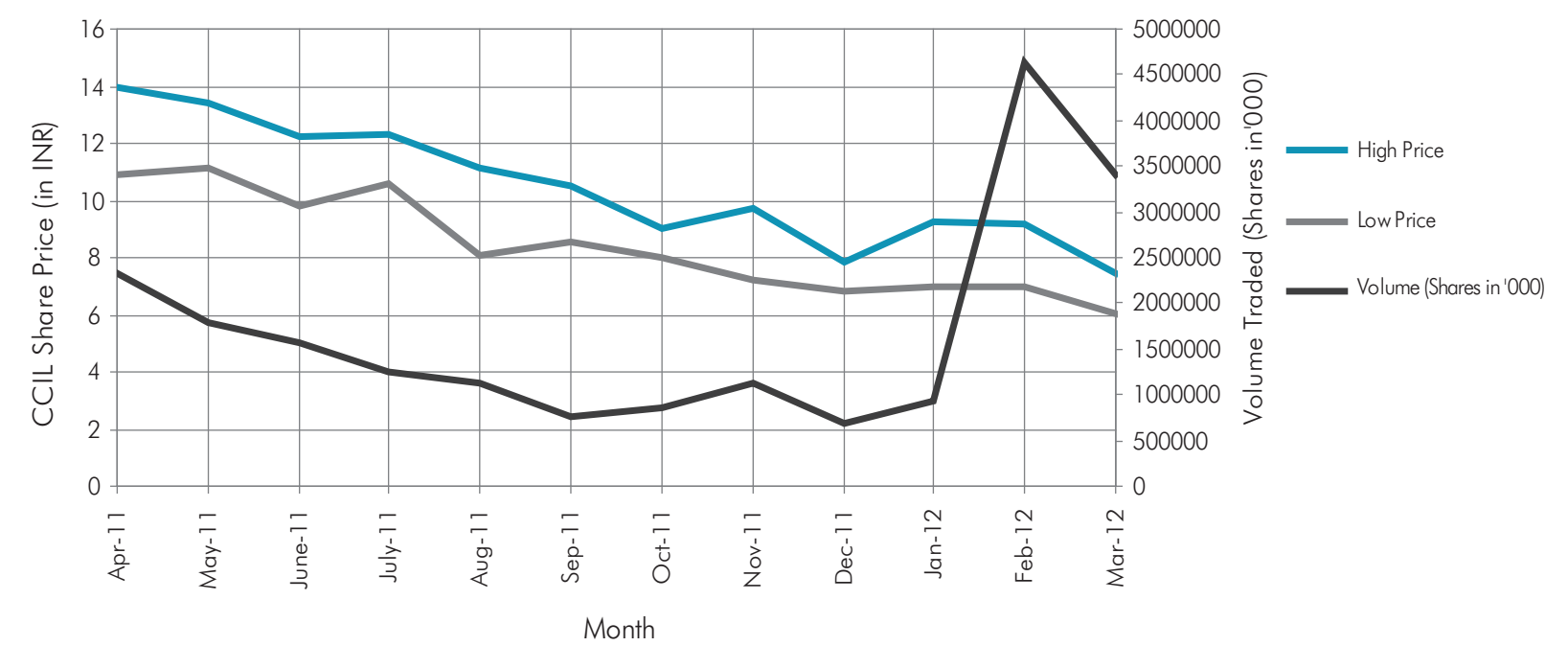
f) Stock code/ ISIN

- 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 MSE the high and low prices during each month are given below:

Month	Bombay Stock Exchange Limited		
	High Price (in ₹)	Low Price (in ₹)	Volume (Shares in '000)
April, 2011	14.00	10.92	2,316,379
May, 2011	13.40	11.12	1,777,830
June, 2011	12.25	9.83	1,571,587
July, 2011	12.30	10.61	1,249,570
August, 2011	11.10	8.10	1,128,148
September, 2011	10.50	8.52	755,923
October, 2011	9.00	8.02	863,898
November, 2011	9.69	7.20	1,130,594
December, 2011	7.88	6.86	695,970
January, 2012	9.25	6.95	926,090
February, 2012	9.15	6.99	4,642,994
March, 2012	7.45	6.05	3,407,269



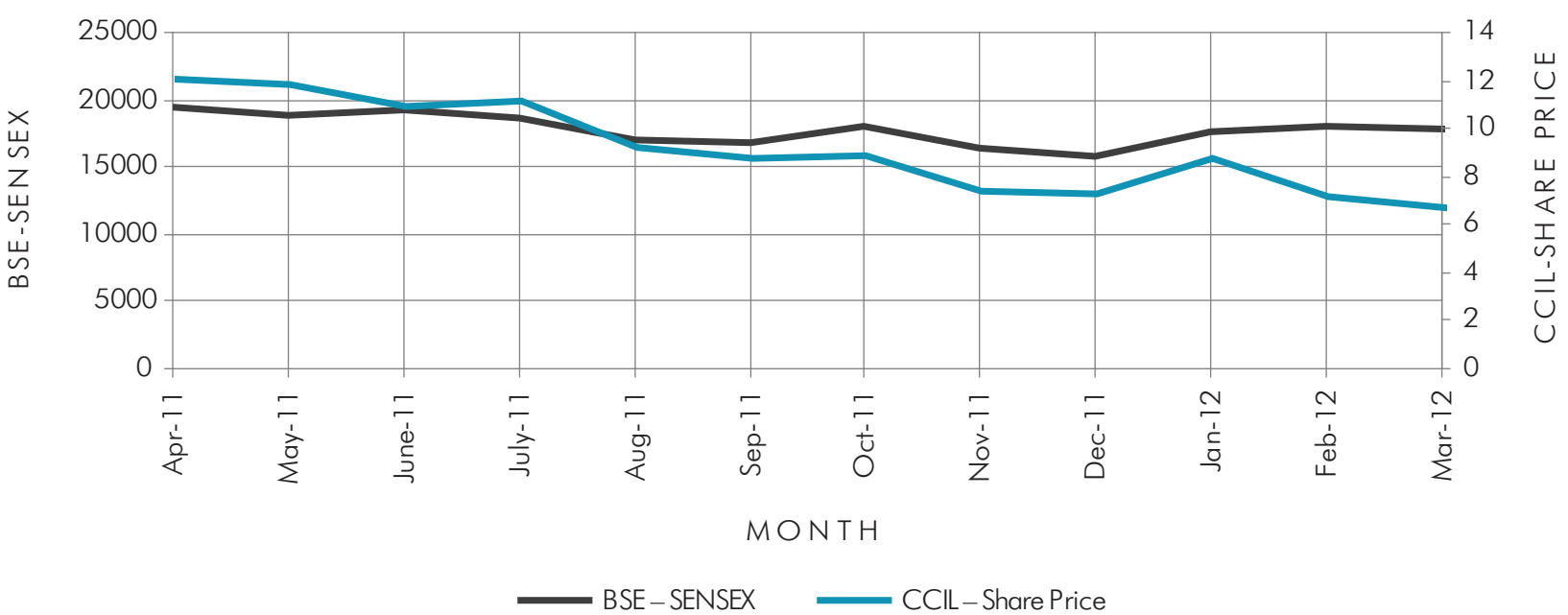
Since, there is no trading of shares on the Madras Stock Exchange Limited, the above information is not provided in respect of this exchange.

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

(in INR ₹)

Month	Share Price in BSE			BSE - Sensex		
	High Price	Low Price	Closing Price	High Price	Low Price	Closing Price
April, 2011	14.00	10.92	11.97	19,811.14	18,976.19	19,135.96
May, 2011	13.40	11.12	11.7	19,253.87	17,786.13	18,503.28
June, 2011	12.25	9.83	10.83	18,873.39	17,314.38	18,845.87
July, 2011	12.30	10.61	11	19,131.70	18,131.86	18,197.20
August, 2011	11.10	8.10	9.08	18,440.07	15,765.53	16,676.75
September, 2011	10.50	8.52	8.69	17,211.80	15,801.01	16,453.76
October, 2011	9.00	8.02	8.76	17,908.13	15,745.43	17,705.01
November, 2011	9.69	7.20	7.31	17,702.26	15,478.69	16,123.46
December, 2011	7.88	6.86	7.16	17,003.71	15,135.86	15,454.92
January, 2012	9.25	6.95	8.6	17,258.97	15,358.02	17,193.55
February, 2012	9.15	6.99	7.04	18,523.78	17,061.55	17,752.68
March, 2012	7.45	6.05	6.64	18,040.69	16,920.61	17,404.20

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 Transfer system documents will be:

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

k) Share and Transfer System:

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

The Company has, as per SEBI Guidelines, offered the facility of transfer-cum-demat. Under the said system, after the share transfer is effected, an option letter is sent to the transferee indicating the details

of the transferred shares and requesting him, in case he wishes to demat the shares, to approach a Depository Participant (DP) with the option letter. The DP, based on the option letter, generates a demat request and sends the same to the Company along with the option letter issued by the Company. On receipt of the same, the Company de-materializes the shares. In case the transferee does not wish to de-materialise the shares, he need not exercise the option and the Company will dispatch the share certificates after 15 days from the date of such option letter.

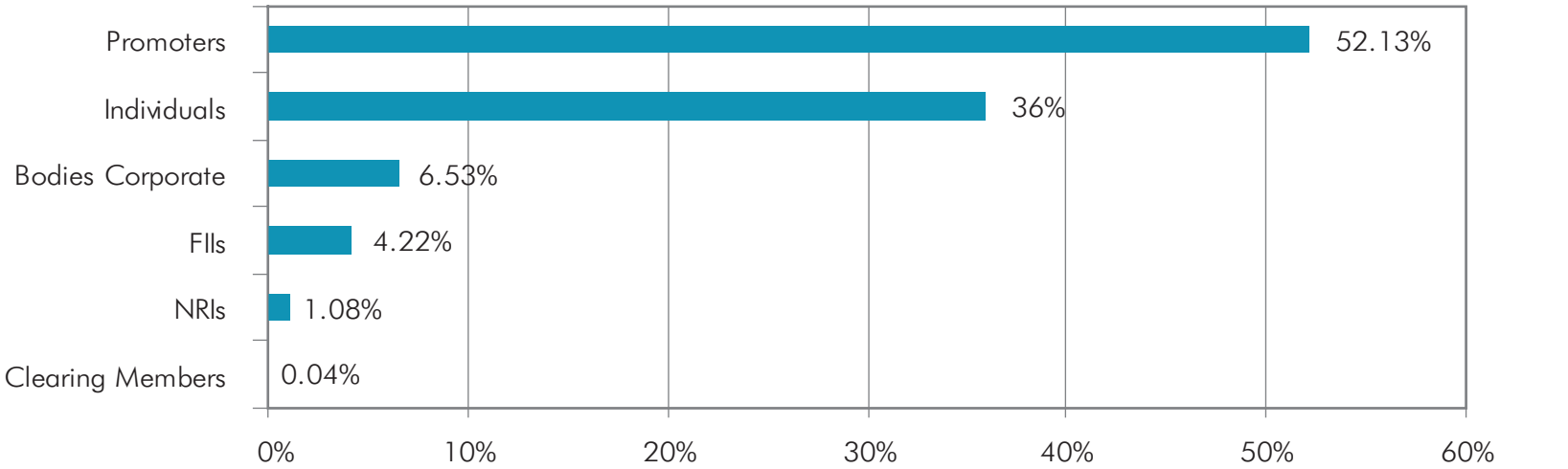
I) Distribution of Shareholdings as on 31st March, 2012:

No. of Shares Slab	No. of Shareholders		No. of Shares		Share Amount	
	Total	%	Total	%	Total (₹)	%
1 – 5000	18,109	89.42	1,05,21,424	11.76	2,10,42,848	11.76
5001 – 10000	1,133	5.59	42,66,310	4.77	85,32,620	4.77
10001 – 20000	506	2.5	38,23,709	4.27	76,47,418	4.27
20001 – 30000	152	0.75	19,16,045	2.14	38,32,090	2.14
30001 – 40000	77	0.38	13,90,974	1.55	27,81,948	1.55
40001 – 50000	55	0.27	12,79,836	1.43	25,59,672	1.43
50001 – 100000	111	0.55	40,10,335	4.48	80,20,670	4.48
100001 & Above	108	0.53	6,22,56,102	69.59	12,45,12,204	69.59
TOTAL	20,251	100	8,94,64,735	100	17,89,29,470	100

m) Shareholding Pattern:

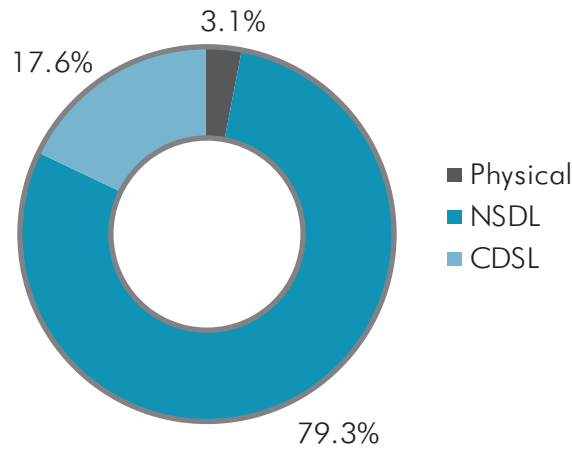
Category of Shareholder	As on 31st March, 2012			As on 31st March, 2011		
	No. of Shareholders	Total No. of shares	%	No. of Shareholders	Total No. of shares	%
Promoter's Holding						
Indian Promoters*	5	4,66,37,386	52.13	6	4,66,37,386	52.13
Total Promoter's Holding (A)	5	4,66,37,386	52.13	6	4,66,37,386	52.13
Public Shareholding						
Institutional Investors						
Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil
Financial Institutions/Banks	2	12,999	0.01	2	12,999	0.1
Foreign Institutional Investors	5	37,63,548	4.21	6	76,69,749	8.57
Foreign Companies	Nil	Nil	Nil	Nil	Nil	Nil
Non-Institutional Investors						
Bodies Corporate	333	58,41,756	6.53	389	52,53,939	5.87
Individuals	19,704	3,22,09,848	36.00	20,326	2,81,43,994	31.45
Others						
Non Resident Indians	181	9,64,827	1.08	188	9,24,090	1.03
Overseas Corporate Bodies	Nil	Nil	Nil	Nil	Nil	Nil
Trusts	Nil	Nil	Nil	Nil	Nil	Nil
Clearing Members	21	34371	0.04	28	8,22,578	0.92
Total Public Shareholding (B)	20,246	4,28,27,349	47.87	20,939	4,28,27,349	47.94
Shares held by Custodian against Depository Receipts (C)	Nil	Nil	Nil	Nil	Nil	Nil
TOTAL (A+B+C)	20,251	8,94,64,735	100	20,947	8,94,64,735	100

Graph representing the Shareholding Pattern as on 31st March, 2012:



n) Dematerialisation of shares and liquidity

Shares held in Physical and Dematerialised form as on 31st March, 2012



o) Outstanding Instruments:

FCCB:

As on 31st March 2011, there were outstanding FCCBs amounting to \$ 20 Million.

During the financial year 2011-12 the Company redeemed FCCBs amounting to \$15 Million and the Outstanding FCCBs as on 31.03.2012 amounted to \$5 Millions.

During the financial year 2012-2013, the balance FCCBs amounting to \$5 million has been redeemed completely.

Share Warrants:

During the financial year 2011-12 the Company has forfeited 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 12th January 2012, which is passed by the Board of Directors of the Company.

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: inv.grievance@countryclubmail.com

Phone: +91 40 6684 8888

Fax: +91 40 6684 3444

Website: www.countryclubindia.net

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

Place: Hyderabad

Date: 03/09/2012

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, 2012 Compliance with the Code of Conduct of the Company laid down for them.

Place: Hyderabad

Date: 03/09/2012

Y. Rajeev Reddy

Chairman & Managing Director

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

I, 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, 2012 and to the best of our knowledge and belief;
 - These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - These statements present a true and fair view of the Company's affair and are in compliance with the existing accounting standards, applicable laws and regulations.
2. That there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violation of the Company's code of conduct;
3. That we accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which we are aware and the steps that we have taken or purpose to take and rectify the identified deficiencies; and
4. That we have informed the Auditors and the Audit Committee of:
 - a) Significant changes in the internal control during the year;
 - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) There are no instances of significant fraud of which we have become aware.

Place: Hyderabad

Date: 03/09/2012

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, 2012 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.

Place : Hyderabad
Date : 03/09/2012

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

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

Auditors' Report on Consolidated Financials

To
The Members
Country Club (India) Limited

We have audited the attached Consolidated Balance Sheet of **M/S COUNTRY CLUB (INDIA) LIMITED and its subsidiaries (the Group)** as at 31st March, 2012 and the Consolidated Profit & Loss Account and Consolidated Cash flow Statement for the period ended on that 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 for our opinion.

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

We did not audit the financial statements of some consolidated entities namely, Country Club Babylon Resorts Pvt. Ltd., Country Vacations International Limited -Dubai, Country Vacations International LLC-Dubai, Country Vacations International LLC-Abu Dhabi, Country Vacations International LLC-Oman, Country Vacation International W.L.L-Bahrain and Country Club & Vacations WLL-Qatar, whose financial statements reflect total assets ₹4,23,40,47,396/-

as at 31st March, 2012. And total revenue of ₹1,15,92,25,541/- for the year ended on that date. Theses 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 the consideration of the reports 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 31st March, 2012.
- ii. In the case of the consolidated Profit & Loss Account, of the profit of the group for the year ended on the date; and
- iii. In the case of 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 : 03-09-2012

Consolidated Balance Sheet as at March 31, 2012

(Amount in ₹)			
Particulars	Note No.	As at 31-03-2012	As at 31-03-2011
I EQUITY AND LIABILITIES			
1. Shareholders Funds			
(a) Capital	1	178,929,470	178,929,470
(b) Reserves & Surplus	2	8,484,560,201	7,470,458,612
(c) Money Received Against Share Warrants	3	–	187,500,000
2. Non-Current Liabilities			
(a) Long-Term Borrowings	4	2,388,026,563	1,318,082,627
(b) Deferred Tax Liabilities (Net)	5	375,151,322	297,713,717
(c) Deferred Income - Advance towards Members Facilities		167,274,709	249,478,743
(d) Other Long-Term Liabilities	6	15,850,500	9,860,000
(e) Long-Term Provisions	7	9,043,280	9,051,707
3. Current Liabilities			
(a) Trade Payables	8	355,331,100	421,981,849
(b) Deferred Income - Advance towards Members Facilities		82,204,037	98,727,646
(c) Other Current Liabilities	9	1,288,790,201	1,744,575,260
(d) Short-Term Provisions	10	358,065,689	618,822,704
TOTAL		13,703,227,072	12,605,182,335
II ASSETS			
1. Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	8,912,161,886	7,056,143,377
(ii) Intangible Assets	11	698,587,634	701,219,951
(iii)Capital Work in progress		556,623,032	2,202,762,059
(b) Long-Term Loans and Advances	12	1,434,741,798	1,616,167,901
(c) Other Non Current Assets	13	752,657	909,272
2. Current Assets			
(a) Current Investments	14	323,000	323,000
(b) Inventories	15	32,945,445	34,132,633
(c) Trade Receivables	16	82,170,231	80,211,862
(d) Cash and Cash Equivalents	17	289,947,613	150,169,758
(e) Short-Term Loans and Advances	18	1,595,431,678	668,013,291
(f) Other Current Assets	19	99,542,098	95,129,231
TOTAL		13,703,227,072	12,605,182,335

Significant Accounting Policies & Notes to Financial Statements1 to 44

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 : 03-09-2012

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

Statement of Consolidated Profit and Loss for the year ended March 31, 2012

(Amount in ₹)			
Particulars	Note No.	Ended 31-03-2012	Ended 31-03-2011
1. INCOME			
Revenue From Operations	20	3,692,131,693	3,221,446,432
Other Income	21	28,309,379	20,322,028
TOTAL REVENUE		3,720,441,072	3,241,768,460
2. EXPENDITURE			
Cost of Material Consumed	22	142,679,092	143,186,284
Employee Benefit Expenses	23	1,172,198,688	1,033,643,247
Finance Cost	24	249,821,429	152,694,231
Depreciation and Amortisation Expenses	11	313,006,027	289,095,206
Other Expenses	25	1,216,320,685	1,094,739,626
TOTAL EXPENDITURE		3,094,025,921	2,713,358,594
3. PROFIT			
Profit Before Tax (1 - 2)		626,415,151	528,409,866
Tax Expense:			
- Current Tax		53,136,217	42,634,845
- Deferred Tax		77,437,605	64,910,291
Profit for the Year		495,841,329	420,864,730
Earning Per Share			
- Basic		5.54	4.89
- Diluted		–	3.37
Significant Accounting Policies & Notes to Financial Statements	1 to 44		

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 : 03-09-2012

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 March 31, 2012

(Amount in ₹)

Particulars	Current Year	Previous Year
I. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax	626,415,151	528,409,866
Adjustments for :-		
Depreciation	313,006,027	289,095,206
Interest Paid	244,336,415	152,694,231
Excess amount Charged to Deferred Tax in Balance Sheet	–	(426,000)
Foreign Currency Translation Reserve	341,158,076	(114,677,880)
Interest Income	(28,309,379)	(20,322,028)
Operating Cash Flow before Working Capital Changes	1,496,606,290	834,773,395
(Increase) / Decrese in Inventory	1,187,188	(6,953,000)
(Increase) / Decrese in Trade Receivables	(1,958,369)	(262,833,000)
(Increase) / Decrese in Short Term Loans & Advances	(927,418,387)	–
(Increase) / Decrese in Other Current Assets	(4,412,868)	–
Increase / (Decrese) in Deferred Income(Current)	(16,523,609)	–
Increase / (Decrese) in Trade Payables	(66,650,750)	315,845,000
Increase / (Decrese) in Other Current Liabilites	(455,785,059)	–
Increase / (Decrese) in Short Term Provisions	(324,299,475)	–
Cash Generated from Operations	(299,255,039)	880,832,395
Less: Income Tax Paid		
Cash Generated from Operating Activities	(299,255,039)	880,832,395
II. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed Assets	(2,166,392,219)	(1,733,830,000)
Capital Work in Progress, Pre-operative Expenses	1,646,139,027	–
Investment	–	–
Misc Expenses	156,615	73,230,000
Interest Income	28,309,379	20,322,028
(Increase) / Decrese in Long Term Loans & Advances	181,426,103	-
Net Cash available from Investing Activities	(310,361,095)	(1,640,277,972)
III. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds From Issue of Equity Shares	–	74,746,000
Proceeds From Issue of Share Warrants	(187,500,000)	115,937,000
Repayment of Loan	1,069,943,936	643,649,000
Share Premiun and Capital Reserve	187,500,000	53,900,000
Reserves	–	19,404,741
Interest Paid	(244,336,415)	(152,694,231)
Increase / (Decrese) in Other Long Term Liabilities	5,990,501	–
Proceeds From Membership Fees	(82,204,034)	(112,323,000)
Net Cash used in Financing Activities	749,393,989	642,619,510
Net increase in Cash & Cash Equivalents (I+II+III)	139,777,855	(116,826,067)
Opening balance of Cash & Cash Equivalents	150,169,758	266,995,825
Closing balance of Cash & Cash Equivalents	289,947,613	150,169,758

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 : 03-09-2012

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, 2012. 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 3rd September, 2012 to the members of the Company.

Yours faithfully,

For P. Murali & Co.,
Chartered Accountants

P. Murali Mohana Rao
Partner

Place : Hyderabad
Date : 03-09-2012

Notes to the Consolidated Financial Statements for the year ended 31st March, 2012

GROUP OVERVIEW

Country Club (India) Limited (“the Company”) with its subsidiaries (collectively referred to as “the Group”) is the leading Holidaying, Clubbing and Entertainment Company. The Group is one of the fastest growing entertainment and leisure conglomerates in India having ownership of more than 50 properties in India and abroad.

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.

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.

Use of Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements, the amounts of revenue and expenses during the reported period. Actual results could differ from those of estimates. Any revision to such estimates is recognized in the period the same is determined.

Revenue Recognition

(a) The Company’s business is to sell Vacation 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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2012

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.

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.

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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2012

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 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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2012

(Amount in ₹)		
Particulars	As at 31-03-2012	As at 31-03-2011
NOTE NO. 1: SHARE CAPITAL		
Authorised Capital	400,000,000	400,000,000
200000000 Equity Shares (Previous Year 200000000 Equity Shares)		
Issued, Subscribed & Fully Paid up:	178,929,470	178,929,470
89464735 Equity Shares (Previous Year 89464735 Equity Shares)		
	178,929,470	178,929,470
Par Value per Share	2	2

- Notes:**
- 1a. Terms /rights attached to equity shares
 - i. The Company has only one class of shares referred to as equity shares having a par value of ₹2/-. Each Equity shareholder is entitled to one vote per share
 - ii. The Dividend proposed by the Board of Directors is subject to approval of the Shareholders in the Annual General Meeting
 - iii. For the year ended March 31, 2012 the amount of per share dividend proposed for equity shareholders is ₹0.10. The total dividend appropriation for the year ended March 31, 2012 amounted to ₹8,946,474/- and tax on proposed dividend of ₹1,451,342/-

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period		
Total No of shares at opening accounting period	89,464,735	89,464,735
Add: No of shares issued during the year - Bonus Issue	–	–
Add: No of shares issued during the year - Cash Issue	–	–
Less : No of shares Forfeited/Bought Back during the year	–	–
Total No of shares at end of accounting period	89,464,735	89,464,735

Shares in the Company held by each shareholder holding more than 5% shares of the Company		
Y.Rajeev Reddy		
- No of Shares	33,788,386	33,537,386
- % held in the Company	37.77	37.49
Y.Manjula Reddy		
- No of Shares	6,647,125	6,647,125
- % held in the Company	7.42	7.42

Notes to the Consolidated Financial Statements for the year ended 31st March, 2012

(Amount in ₹)		
Particulars	As at 31-03-2012	As at 31-03-2011
NOTE NO. 2: RESERVES AND SURPLUS		
Capital Reserve		
As per last year Balance Sheet	121,240,299	121,240,299
Add: Current Year Transfer of forfeited 3,00,00,000 warrants upfront money	187,500,000	–
	308,740,299	121,240,299
Securities Premium Account	4,966,551,969	4,966,551,969
Foreign Currency Translation Reserve	283,608,569	(57,549,507)
Revaluation Reserve	43,655,099	43,655,099
Statutory Reserve	1,858,425	1,858,425
General Reserve		
As per last year Balance Sheet	83,300,000	83,300,000
Add: Transfer from statement of Profit and Loss account	–	–
	83,300,000	83,300,000
Surpuls:		
Surpuls in Statement of Profit and Loss		
As per last year Balance Sheet	2,311,402,327	1,900,935,413
Add: Current year Profit	495,841,329	420,864,730
Available for Appropriations	2,807,243,656	2,321,800,143
Appropriations:		
Transfer to General Reserve	–	–
Proposed Final Dividend on Equity Shares	8,946,474	8,946,474
Tax on Proposed Dividend	1,451,342	1,451,342
	10,397,816	10,397,816
Surplus After Appropriations	2,796,845,840	2,311,402,327
Total Reserves and Surplus	8,484,560,201	7,470,458,612
NOTE NO. 3: SHARE WARRANTS		
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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2012

(Amount in ₹)		
Particulars	As at 31-03-2012	As at 31-03-2011
NOTE NO. 4: LONG-TERM BORROWINGS		
Secured		
Term loans From Banks		
- Oriental Bank of Commerce Loan	121,863,791	162,340,305
- Oriental Bank of Commerce Loan - 2 (for expansion of existing Clubs and secured by way of Hypothecation of Land & Building)	40,646,085	50,498,729
- UBI Loan (for repayment of FCCBs and secured by way of Hypothecation of Land & Buildings)	519,200,000	–
- Vijaya Bank Loan (for repayment of FCCBs and secured by way of Hypothecation of Land & Buildings)	370,792,161	–
- Bank of India Loan (for repayment of FCCBs and secured by way of Hypothecation of Land & Buildings)	222,340,853	–
- Bank of Baroda (for expansion of existing Hotel and Mortagage of Country Club Hotel, Dubai.)	242,137,067	257,701,600
- Saraswat Co Op Bank Loan (for expansion of existing Clubs and secured by way of Hypothecation of Land & Building)	139,689,639	190,050,684
- Cosmos Bank Loan I	94,001,734	124,004,600
- Cosmos Bank Loan II (for expansion of existing Clubs and secured by way of Hypothecation of Land & Building)	124,712,437	164,858,822
- Ratnakar Bank Loan - I	115,426,189	147,627,366
- Ratnakar Bank Loan - II (for expansion of existing Clubs and secured by way of Hypothecation of Land & Building)	100,092,518	149,952,984
Equipment Finance (Loan from Citibank & Saraswath Co-Op Bank Ltd for Vehicles and the same were secured by way of hypothecation of the Vehicles)	5,071,641	8,419,104
Lease Finance (Loan from NOIDA Authority for Plot and the same was secured)	23,743,180	23,743,180
Term loans From Other Parties		
- Religare Finvest Ltd - Loan (for expansion of existing Clubs and secured by way of Hypothecation of Land & Building)	30,278,168	36,685,206
- Karvy Financial Services limited (for expansion of existing Clubs and secured by way of Hypothecation of Land & Building)	160,000,000	–
	2,309,995,463	1,315,882,580
Unsecured		
Loans and Advances From Related Parties		
- Y.Rajeev Reddy	19,700,099	–
- Y.Siddarth Reddy	–	450,000
- Y.Varun Reddy	48,889,092	450,000
- Zen Garden Hotel Pvt Ltd	2,036,594	1,082,970
- Amrtutha Estates & Hospitality Private Limited	59,020	27,000
- Country Condo’s Ltd	49,020	42,500
Other Loans and Advances	7,297,275	147,577
	78,031,100	2,200,047
	2,388,026,563	1,318,082,627

Notes to the Consolidated Financial Statements for the year ended 31st March, 2012

(Amount in ₹)		
Particulars	As at 31-03-2012	As at 31-03-2011
NOTE NO. 5: DEFERRED TAX LIABILITIES (NET)		
Opening Deferred tax Liability	297,713,717	232,803,426
Add: Deferred Tax Liability for the year (Due to SLM and WDV Difference)	77,437,605	64,910,291
	375,151,322	297,713,717

NOTE NO. 6: OTHER LONG-TERM LIABILITIES

Unsecured		
Deposits	15,850,500	9,860,000
	15,850,500	9,860,000

NOTE NO. 7: LONG-TERM PROVISIONS

Employees' end of service benefits	9,043,280	9,051,707
	9,043,280	9,051,707

NOTE NO. 8: TRADE PAYABLES

Total Outstanding Dues to Micro and Small Enterprises	–	–
Others	355,331,100	421,981,849
	355,331,100	421,981,849

NOTE NO. 9: OTHER CURRENT LIABILITIES

Current Maturities of Long-Term Debt	451,173,242	235,169,712
Unpaid Matured FCCBs	259,260,500	905,780,000
Advance Received from Customers	4,583,359	2,416,859
Unpaid Dividends	2,520,226	2,280,132
Dues to Statutory Authoritoes	20,066,229	14,046,829
Other Liabilities	183,450,102	135,255,316
Creditors for Capital Goods	367,736,543	449,626,412
	1,288,790,201	1,744,575,260

Notes to the Consolidated Financial Statements for the year ended 31st March, 2012

(Amount in ₹)		
Particulars	As at 31-03-2012	As at 31-03-2011
NOTE NO. 10: SHORT-TERM PROVISIONS		
Provision for Employee Benefits		
- Salaries Payable (Includes Incentives)	135,059,499	126,922,260
- PF Payable	6,537,642	5,193,955
- ESIC Payable	2,551,465	3,643,425
- PT Payable	2,302,569	1,435,624
Others		
- Provision for Income Tax	53,136,217	42,568,907
- TDS Payable	16,798,787	57,422,855
- Consultancy & Profesional Charges Payable	1,924,198	530,569
- Provision for Expenses	129,357,496	370,707,293
- Proposed Dividend	8,946,474	8,946,474
- Tax on Proposed Dividend	1,451,342	1,451,342
	358,065,689	618,822,704

NOTE NO. 11: CONSOLIDATED FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Gross Block as on 01-04-2011	Additions during the year	Deletions during the year	Gross Block as on 31-03-2012	Depreciation upto 01-04-2011	Depreciation during the year	Deletion depreciation during the year	Depreciation as on 31-03-2012	Net Block as on 31-03-2012	Net Block as on 31-03-2011
Tangible Assets										
Land & Site Development	598,269,742	1,479,054	16,424,795	583,324,001	–	–	–	–	583,324,001	598,269,742
Buildings	6,115,870,904	2,127,948,528	66,963,512	8,176,855,921	495,168,959	196,937,409	6,689,335	685,417,033	7,491,438,888	5,620,701,946
Furniture & Fixtures	608,150,188	78,884,003	3,818,657	683,215,533	195,267,294	51,766,415	729,848	246,303,861	436,911,672	412,882,894
Plant & Machinery	517,124,160	33,379,845	6,919,083	543,584,924	159,915,114	39,668,322	1,224,552	198,358,883	345,226,041	357,209,047
Computers	71,428,250	5,837,941	298,948	76,967,242	40,890,824	11,311,903	181,292	52,021,434	24,945,808	30,537,426
Vehicles	67,472,769	5,117,145	1,922,266	70,667,647	30,745,119	10,769,338	1,162,287	40,352,171	30,315,476	36,727,650
Total - A	7,978,316,013	2,252,646,516	96,347,261	10,134,615,268	921,987,310	310,453,387	9,987,314	1,222,453,382	8,912,161,886	7,056,328,705
Previous Year	7,469,201,583	520,568,488	3,327,981	7,986,442,091	638,398,010	287,959,215	276,663	926,080,562	7,060,361,531	6,830,970,210
Intangible Assets										
Goodwill	680,175,238	–	–	680,175,238	–	–	–	–	680,175,238	680,175,238
Brand Development	9,474,059	–	–	9,474,059	4,210,693	1,052,673	–	5,263,366	4,210,693	5,263,366
Software & Development	8,572,425	105,650	–	8,678,075	4,366,166	1,499,967	–	5,866,133	2,811,942	4,206,259
Intangible Assets	11,389,761	–	–	11,389,761	–	–	–	–	11,389,761	11,389,761
Total - B	709,611,483	105,650	–	709,717,133	8,576,859	2,552,640	–	11,129,499	698,587,634	701,034,624
Previous Year	628,721,190	72,764,215	–	701,485,405	3,347,615	1,135,991	–	4,483,607	697,001,798	625,206,939
Grand Total - (A+B)	8,687,927,496	2,252,752,166	96,347,261	10,844,332,401	930,564,168	313,006,027	9,987,314	1,233,582,881	9,610,749,520	7,757,363,329
Total Previous Year	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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2012

(Amount in ₹)		
Particulars	As at 31-03-2012	As at 31-03-2011
NOTE NO. 12: LONG-TERM LOANS AND ADVANCES		
Unsecured Considered Good		
Capital advance	563,995,755	1,193,238,870
Security Deposit	216,355,290	212,372,733
Loans and Advances to Related Parties		
- Country Club International, Dubai	377,258	–
Other loans And advances	654,013,495	210,556,298
	1,434,741,798	1,616,167,901

NOTE NO. 13: OTHER NON-CURRENT ASSETS

Unamortised Selling and Preliminary Expenses		
Selling Deferred Expenses	712,651	890,814
Preliminary Expenses Not Written off	40,006	18,458
	752,657	909,272

NOTE NO. 14: CURRENT INVESTMENTS

The Saraswat Co-op Bank	25,000	25,000
The Cosmos Co-op Bank	100,000	100,000
KCCB Bank Shares	50,000	50,000
The Urban Co-operative Bank	48,000	48,000
Bharat Co-op Bank Ltd.	100,000	100,000
	323,000	323,000

NOTE NO. 15: INVENTORIES

Inventories (at lower of cost & net realisable value) stores		
Food,Beverages,Smokes & Operating Supplies	14,194,580	12,661,988
Gifts	18,750,865	21,470,645
	32,945,445	34,132,633

NOTE NO. 16: TRADE RECEIVABLES

Receivables outstanding for more than six months from the date they are due for payment Unsecured & Considered Good	1,895,121	24,585,229
Receivables outstanding for less than six months from the date they are due for payment Unsecured & Considered Good	80,275,110	55,626,633
	82,170,231	80,211,862

Notes to the Consolidated Financial Statements for the year ended 31st March, 2012

(Amount in ₹)		
Particulars	As at 31-03-2012	As at 31-03-2011
NOTE NO. 17: CASH AND CASH EQUIVALENTS		
Cash on hand	12,954,338	32,315,341
Balances with banks :		
- Current Accounts	159,590,145	103,515,778
- Fixed Deposits - with maturity of less/more than	114,876,195	11,998,401
Earmarked Accounts		
- Unpaid Dividend Accounts	2,526,935	2,340,238
	289,947,613	150,169,758

NOTE NO. 18: SHORT-TERM LOANS AND ADVANCES

Advance to Suppliers	5,501,291	40,743,007
Loans and Advances to Employees	75,172,567	50,928,992
Advances Recoverable in Cash or Kind - (Unsecured, Considered Good)	1,491,154,594	556,625,477
Advances with Statutory Authorities	23,603,226	19,715,815
	1,595,431,678	668,013,291

NOTE NO. 19: OTHER CURRENT ASSETS

VAT Receivables	10,322,159	1,747,632
TDS/TCS Receivables	3,576,424	9,481,420
Prepaid Expenses	45,852,329	5,353,723
Service Tax Credit Receivables	39,791,186	78,546,456
	99,542,098	95,129,231

(Amount in ₹)		
Particulars	Ended 31-03-2012	Ended 31-03-2011
NOTE NO. 20: REVENUE FROM OPERATIONS		
Sales of Services		
Income from Sale of Membership & Vacation Ownership	2,656,774,428	2,510,700,125
Income from Hotel,Clubs & Resorts		
- Guest Accommodation	421,777,553	374,215,326
- Food & Beverages from Restaurant & Banquets	174,622,553	141,247,925
- Others	229,087,340	52,571,110
Annual Subscription Fee	181,644,456	115,457,265
Facilities	28,225,363	27,254,681
	3,692,131,693	3,221,446,432

Notes to the Consolidated Financial Statements for the year ended 31st March, 2012

(Amount in ₹)		
Particulars	Ended 31-03-2012	Ended 31-03-2011
NOTE NO. 21: OTHER INCOME		
Interest Income		
- On Deposits with Bank	4,935,398	1,706,691
Lease Rent	8,588,000	911,855
Commision Received	224,856	29,648
Miscellaneous Income	14,513,959	17,636,834
Other Non - Operating Income	42,166	37,000
Dividend Income	5,000	–
	28,309,379	20,322,028

NOTE NO. 22: COST OF MATERIAL CONSUMED

Opening Stock of Food & Bevarages, Stores and Operating Supplies	12,661,988	14,159,563
Add: Purchases	144,211,684	141,688,709
Less: Closing Stock of Food & Bevarages, Stores and Operating Supplies	14,194,580	12,661,988
	142,679,092	143,186,284

NOTE NO. 23: EMPLOYEE BENEFIT EXPENSES

Salaries & Other Benefits	1,115,174,081	981,885,348
Contribution to Provident & Other Funds	28,274,871	19,906,464
Staff Welfare Expenses	28,749,736	31,851,435
	1,172,198,688	1,033,643,247

NOTE NO. 24: FINANCE COST

Interest on Term Loans	244,336,415	152,694,231
Interest on Other Borrowings	5,485,014	–
	249,821,429	152,694,231

Notes to the Consolidated Financial Statements for the year ended 31st March, 2012

(Amount in ₹)		
Particulars	Ended 31-03-2012	Ended 31-03-2011
NOTE NO. 25: OTHER EXPENSES		
Upkeep & Service Cost		
- Building Maitenance	2,247,453	1,526,933
- Repairs, Maintenance to other assets.	22,581,569	51,581,152
- Vehicle Maintenance & Running Exp.	2,873,428	2,384,970
- Other Maintenance	62,375,232	33,843,420
Power & Fuel	105,181,749	105,308,193
Rent including Lease Rent	165,963,539	155,371,290
Rates & Taxes	55,289,590	48,793,627
Insurance	8,163,751	8,528,940
Finance Charges	94,641,414	58,298,786
Travelling & Conveyance	54,650,683	52,608,700
Printing & Stationery	38,824,863	31,805,096
Postage, Telegram & Telephones	73,809,346	76,392,296
Advertisement,Other Marketing & Administrative Expenses	360,632,283	352,307,886
Miscellaneous Expenses Written Off	178,814	183,270
Legal & Professional Charges.	67,798,741	42,260,873
Net Loss on Foreign Currency Transaction and Translation (other than considered as finace cost)	99,930,525	73,066,667
Auditors Remuneration Includes		
- Audit Fee	677,705	377,527
- For Taxation Matters	200,000	50,000
- For Other Services	300,000	50,000
	1,216,320,685	1,094,739,626

Notes to the Consolidated Financial Statements for the year ended 31st March, 2012

NOTE NO. 26

Particulars of Employees in accordance with Sub-section (2A) of Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule 1975.

			(Amount in ₹)
S. No	Name of the Directors	Designation	Remuneration
1.	Mr. Y. Rajeev Reddy	Chairman & Managing Director	3,600,000
2.	Mr. Y. Siddharth Reddy	Vice-Chairman, JMD & CEO	3,000,000
3.	Mr. Y. Varun Reddy	Vice-Chairman, JMD & COO	3,000,000
4.	Mr. D. Krishna Kumar Raju	Vice-Chairman & Executive Director	3,000,000

NOTE NO. 27

In relation of Managerial Remuneration:

(Amount in ₹)		
Particulars	Current Year	Previous Year
Directors’ Remuneration	12,600,000	12,600,000
Brand Ambassador Fee	4,800,000	4,800,000

NOTE NO. 28

Auditor’s Remuneration:

(Amount in ₹)		
Particulars	Current Year	Previous Year
Audit Fees	677,705	377,527
Tax Audit Fee	200,000	50,000
Certification Fee	300,000	50,000

NOTE NO. 29

The Company had raised FCCBs of \$25 million in the year 2006, out of which \$5 million has already been converted into Equity Shares in October 2007. Further during the Financial Year 2011-12 the Company redeemed FCCBs amounting to \$15 million and has subsequently extinguished/redeemed entire FCCBs liability as on date of this report.

NOTE NO. 30

During the financial year 2011-12 the Company has forfeited 30,000,000 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 12th January 2012, which is passed by the Board of Directors of the Company.

NOTE NO. 31

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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2012

NOTE NO. 31 (Contd...)

ii) Income of the Company includes the following:

(Amount in ₹)		
Particulars	Current year	Previous year
Guest Accommodation, Restaurants & Banquets	825,487,446	568,034,361
Subscription from Members & Others	2,838,418,884	2,626,157,390
Facilities	28,225,363	27,254,681
Other Income	28,309,379	20,322,028
Total	3,720,441,072	3,241,768,460

iii) Consumption of Provisions and Stores:

(Amount in ₹)				
Provisions & Stores	Opening Stock	Purchases	Closing Stock	Consumption
Current Year	12,661,988	144,211,684	14,194,580	142,679,091
Previous Year	12,587,563	143,260,709	12,661,988	143,186,284

NOTE NO. 32

Earnings and Expenditure in Foreign Currency

a) Foreign Currency Earnings

(Amount in ₹)		
Particulars	Current Year	Previous Year
Foreign Currency Earnings (Foreign Currency earnings includes Membership Fee)	69,812,905	45,042,957

b) Foreign Currency expenditure/out flow as follows

(Amount in ₹)		
Particulars	Current Year	Previous Year
Travelling Expenses	4,016,150	368,837
Loan to Subsidiary Company	290,000,000	–
Investment in Subsidiary Company	–	5,349,300

NOTE NO. 33

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.

NOTE NO. 34

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

NOTE NO. 35

The Closing balances shown under the heads debtors/creditors, loans and advances are subject to confirmations as at year end.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2012

NOTE NO. 36

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	53,136,217	42,634,845
Deferred Tax	77,437,605	64,910,291

NOTE NO. 37

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 (formarly 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
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.	Country Club & Vacations W.L.L - Qatar	Step–Down Subsidiary Company
23.	Y. Manjula Reddy	Director
24.	Y. Varun Reddy	Vice-Chairman, JMD & COO
25.	Club Arzee Limited	Subsidiary Company
26.	Country Vacations International LLC–Abu Dhabi	Step–Down Subsidiary Company
27.	Country Vacations International W.L.L – Bahrain	Step–Down Subsidiary Company
28.	Country Club International-Dubai	Associate Company

Notes to the Consolidated Financial Statements for the year ended 31st March, 2012

NOTE NO. 37 (Contd...)

B. Transactions during the year with Related Parties.

Nature of Transaction	Subsidiary Companies including Step-Down Subsidiaries	Associate Companies	Other Related Parties
Lease Rentals	1,800,000	1,792,000	5,050,200
Land	–	25,366,000	–
Membership Sale	69,812,905	–	–
Directors’ Remuneration	–	–	12,600,000
Brand Ambassador Fee	–	–	4,800,000
Loan to Subsidiaries	290,000,000	–	–
Loan from Subsidiaries	236,649,878	–	–
Advance given	–	377,258	–

NOTE NO. 38

The Basic and Diluted EPS is Calculated as under

Particulars	31st March, 2012	31st March, 2011
a) Profit after Tax (₹)	495,841,329	420,864,730
b) Earnings available to Equity Shareholders for Basic & Diluted EPS (₹)	495,841,329	420,864,730
c) Weighted average Number of Shares taken for computation of EPS		
- Basic	89,464,735	86,118,911
- Diluted	–	124,777,151
d) Earning per Share		
- Basic (₹)	5.54	4.89
- Diluted (₹)	–	3.37
e) Nominal Value per Share (₹)	2	2

NOTE NO. 39

Secured Loans

- a) 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, Haryana. The Outstanding Balance for the Current Year is ₹212,509,876/- (Previous Year ₹252,839,034/-)
- b) During the year the Company has obtained ₹115 Crore loan from consortium of three banks i.e. Union Bank of India, Vijaya Bank & Bank of India towards repayment of FCCBs. The above mentioned loan amount has been secured by way of properties located in Hyderabad, Bangalore, Chennai and Kodaikanal. Further a charge has been created on Delhi & Karnataka cash flows for servicing of the above loan. Additionally, the personal guarantees are also given by three Directors (i.e. Mr. Y. Rajeev Reddy, Mr. Y. Siddharth Reddy & Mr. Y. Varun Reddy).
- c) Term Loans from Bank of Baroda, Dubai, loan of AED 26 millions refurbishment of Dubai Hotel and secured by mortgage of Country Club Hotel, Dubai.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2012

NOTE NO. 39 (Contd...)

- d) Term Loans from Ratnakar Bank, Loan – I & II of ₹45 Crores for expansion of existing Clubs are 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 that plot of land forming 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 ₹297,719,884/- (Previous Year ₹379,781,527/-)
- e) Term Loans from Saraswat Co Op Bank, Loan of ₹25 Crores for expansion of existing Clubs and secured by way of mortgage by deposit of title deed immovable property being land and building known as Hotel Amrutha Castle Constructed on plot of land bearing Municipal Nos. 5-9-16, 5-9-17, snf 6-9-18 and adjoining plot and land bearing Municipal Nos. 5-9-19 and 5-9-18/3 situated at Saifabad, Secretariat Road, Hyderabad solely belonging to the Company. The Outstanding Balance for the Current Year is ₹189,689,696.10/- (Previous Year ₹240,050,684/-)
- f) 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 ₹288,714,171/- (Previous Year ₹342,863,422/-)
- g) Term Loan from Karvy Financial Services Ltd amounting to ₹22 Crores for the corporate purpose and secured by way of mortgage of properties belonging to M/s Bush Betta Holiday Ownership Wildlife Adventure Resorts Pvt Ltd, Bright Resorts Pvt Ltd and CK-27 Koramangala (Bangalore). The Outstanding Balance for the Current Year is ₹22 Crores.
- h) 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 ₹36,677,087/- (Previous Year ₹42,490,208/-)
- i) Equipment Finance loans from Citibank & Saraswath 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 ₹2,019,424/- (Previous Year ₹4,414,592/-).
- j) Lease Finance Loan from NOIDA Authority of ₹2.37 Crores for Plot and the same is secured against the Plot No. N-14, Sector – 18, Noida, Uttar Pradesh. The Outstanding Balance for the Current Year is ₹23,743,180/- (Previous Year ₹23,743,180/-).

NOTE NO. 40

In terms of the Scheme of Amalgamation submitted before the Hon'ble High Court at Andhra Pradesh, the Development of Land and Building services of the Company (Amrutha Estates and Hospitality Private Limited) comprising of the Development and allotment of Lands and certain investments, loans and advances etc. were proposed to be transferred to and vested in Country Club (India) Limited on a going concern basis with effect from 1st April 2011. The Scheme was approved by the Board of Directors of the Company (Amrutha Estates and Hospitality Private Limited) in the Board Meeting held on 1st September, 2011.

The Company based on the above had filed the Application for convening the meeting of Shareholders, Secured Creditors and Sundry Creditors vide Company Application Nos. 516, 517 and 518 of 2012. In this regard, Hon’ble Court has passed the common order dated 20-06-2012 stating “Pursuant to the meeting of the Shareholders, Secured Creditors and Sundry Creditors being convened and held on 11-06-2012, respective chairmen have filed their respective reports and as such no further orders need to be passed in these applications. All the three applications are, accordingly, closed.”

Further Petitions on the above is pending for approval before the Hon'ble High Court. Further, pending approval of the Hon'ble High Court of Andhra Pradesh, the effect of transfer of certain investments, loans, advances and assets has not been given effect in the books of accounts of the Company, which will be done, on receipt of final order by the Hon’ble High Court.

NOTE NO. 41

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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2012

NOTE NO. 42

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 2010-11	249,271
Unpaid Dividend for the year 2009-10	248,132
Unpaid Dividend for the year 2008-09	765,514
Unpaid Dividend for the year 2007-08	544,080
Unpaid Dividend for the year 2006-07	713,228

NOTE NO. 43

Previous year’s figures have been regrouped wherever necessary.

NOTE NO. 44

The figures have been rounded off to the nearest rupee.

As per our report of even date

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

By Order 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 : 03-09-2012

Statement 212

Statement Pursuant to 212 of the Companies Act, 1956, related to Subsidiary Companies for the year ended 31st March, 2012

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., 2012	1,000 Equity Shares of ₹100 each	100	(5,809,118)	(4,889,369)	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., 2012	10,000 Equity Shares of ₹100 each	100	(605,288)	(461,191)	-do-	-do-
3	Bush Betta Holiday Ownership Wildlife Adventure Resort Private Limited	31st Mar., 2012	1,000,000 Equity Shares of ₹10 each	100	(1,249,608)	(1,250,426)	-do-	-do-
4	Country Club Babylon Resorts Private Limited	31st Mar., 2012	50,000 Equity Shares of LKR 1,000 each	100	(3,332,715)	(3,546,143)	-do-	-do-
5	Chanakyapuri Resorts Private Limited	31st Mar., 2012	70,000 Equity Shares of ₹100 each	100	(1,433,542)	(1,006,232)	-do-	-do-
6	JJ Arts and Entertainments Private Limited	31st Mar., 2012	150,000 Equity Shares of ₹10 each	100	(255,839)	(1,360,981)	-do-	-do-
7	Jade Resorts Private Limited	31st Mar., 2012	10,000 Equity Shares of ₹10 each	100	(6,288,049)	(5,790,631)	-do-	-do-
8	Kolet Resort Club Private Limited	31st Mar., 2012	1,499,800 Equity Shares of ₹10 each	100	15,575	(4,156,550)	-do-	-do-
9	Bright Resorts Private Limited	31st Mar., 2012	18,450 Equity Shares of ₹100 each	100	1,019,534	(2,187,881)	-do-	-do-
10	Maruti Water Park & Entertainments Private Limited	31st Mar., 2012	232,400 Equity Shares of ₹10 each	100	(15,655)	(18,939)	-do-	-do-
11	Country Vacations International Limited, Dubai	31st Mar., 2012	161,118,222 Equity Shares of UAE Dirhams 1 each	100	110,407,598	355,519,928	-do-	-do-
12	Swami Vivekanand Education and Training Centre Private Limited	31st Mar., 2012	1,008 Equity Shares of ₹100 each	100	(6,433,336)	(7,120,591)	-do-	-do-
			48,900 Preference Shares of ₹100 each	100				
13	Swimwel Investment and Trading Private Limited	31st Mar., 2012	10,000 Equity Shares of ₹10 each	100	(8,359,595)	(6,156,837)	-do-	-do-
14	Country Vacations International Limited, India	31st Mar., 2012	50,000 Equity Shares of ₹10 each	100	(612,669)	147,455	-do-	-do-
15	Club Arzee Limited	31st Mar., 2011	2,976,600 Equity Shares of ₹10 each	100	2,135,229	(9,264,561)	-do-	-do-

Statement pursuant to approval of the Central Government U/s 218(8) of the Companies Act, 1956 about the Financial Information of Subsidiary Companies for the year ended 31st March, 2012 (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	Extent of interest held by CCIL along with its nominees
Aquarian Realtors Pvt. Ltd.	100,000	(16,265,505)	457,345,198	457,345,198	Nil	8,165,543	(4,315,625)	1,493,493	(5,809,118)	Nil	100%
International Country Holidays Pvt. Ltd.	1,000,000	(1,143,271)	461,809,841	461,809,841	Nil	300,000	(605,288)	Nil	(605,288)	Nil	100%
Bush Betta Holiday Ownership Wildlife Adventure Resort Pvt. Ltd.	10,500,200	(38,590,555)	5,464,658	5,464,658	Nil	Nil	(1,249,608)	Nil	(1,249,608)	Nil	100%
J.J. Arts and Entertainments Pvt. Ltd	1,500,000	(11,145,012)	23,731,037	23,731,037	Nil	2,965,140	(152,939)	102,900	(255,839)	Nil	100%
Chanakyapuri Resorts Pvt. Ltd.	7,000,000	(13,855,433)	16,742,070	16,742,070	Nil	1,831,975	(1,433,542)	Nil	(1,433,542)	Nil	100%
Bright Resorts Pvt. Ltd.	1,845,000	(28,704,526)	18,287,119	18,287,119	Nil	26,300,716	1,475,449	455,915	1,019,534	Nil	100%
Kolet Resorts Club Pvt. Ltd.	14,998,000	(4,560,104)	36,497,648	36,497,648	Nil	2,863,375	15,575	Nil	15,575	Nil	100%
Jade Resorts Pvt. Ltd.	100,000	(22,982,505)	149,521,917	149,521,917	Nil	18,025,813	(4,964,583)	1,323,466	(6,288,049)	Nil	100%
Maruti Waterpark & Entertainments Pvt. Ltd.	2,324,000	734,744	3,171,334	3,171,334	Nil	5,024	(15,655)	Nil	(15,655)	Nil	100%
Country Vacations International Ltd. - India	500,000	(399,271)	4,281,337	4,281,337	Nil	6,720,917	(612,669)	Nil	(612,669)	Nil	100%
Swimwel Investment & Trading Pvt. Ltd.	100,000	(47,391,513)	634,646	634,646	Nil	5,345,556	(8,359,595)	Nil	(8,359,595)	Nil	100%
Swami Vivekanand Training & Education Centre Pvt. Ltd.	4,990,800	(6,789,594)	160,947,154	160,947,154	Nil	Nil	(4,403,350)	2,029,986	(6,433,336)	Nil	100%
Club Arzee Ltd.	57,266,000	13,428,853	96,540,289	96,540,289	Nil	20,938,489	3,160,726	1,025,497	2,135,229	Nil	100%
Country Club Babylon Resorts Pvt. Ltd. Srilanka '@	25,956,015	16,702,870	65,767,713	65,767,13	Nil	933,156	(3,332,715)	Nil	(3,332,715)	Nil	100%
Country Vacations International Ltd. - Dubai '#	1,996,174,212	114,393,587	218,865,483	218,865,483	Nil	111,102,964	110,407,598	Nil	110,407,598	Nil	100%
Country Vacations International L.L.C. - Dubai '#	4,050,000	1,127,128,735	3,517,903,540	3,517,903,540	Nil	654,993,735	45,224,039	Nil	45,224,039	Nil	100%
Country Vacations International L.L.C. - Oman '\$	19,316,475	128,419,776	273,313,724	273,313,724	Nil	160,936,912	80,105,517	Nil	80,105,517	Nil	100%
Country Vacations International L.L.C. - Abudhabi '#	2,025,000	156,833,874	164,211,840	164,211,840	Nil	194,554,440	151,524,745	Nil	151,524,745	Nil	100%
Country Vacations International L.L.C. - Beharin '^	2,630,610	9,207,999	19,843,988	19,843,988	Nil	23,677,255	8,829,277	Nil	8,829,277	Nil	100%
Country Vacations International L.L.C. - Qatar (Doha) '%	2,700,000	-	9,334,724	9,334,724	Nil	13,027,079	(2,550,763)	Nil	(2,550,763)	Nil	100%

@ Conversion rate of Srilanka ₹1/- (LKR) equal to Indian ₹0.40721 on 31-03-2012.
Conversion rate of Dubai AED.1/- (Dhiram) equal to Indian ₹13.50 on 31-03-2012.
\$ Conversion rate of Oman Rials.1/- equal to Indian ₹128.78 on 31-03-2012.
% Conversion rate of Qatari Rial.1/- equal to Indian ₹14.23 on 31-03-2012.

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, 2012 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 statement. 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 (Auditors Report) Order 2003, 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 & Profit & Loss Account dealt with by this report are in agreement with the books of account;

- (iv) In our opinion, the Balance Sheet & Profit & Loss Account 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 , 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed 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, 2012;
 - (b) In the case of the Profit & 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 : 03-09-2012

Annexure to the Auditors' Report

I.	(a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.	(e) The Company has taken loans from Companies and related parties covered in the register maintained U/s.301 of the Companies Act, 1956. The year end balance of Loans taken from such parties was ₹6.86 Crores.	VII.	In our opinion, the Company is having internal audit system, commensurate with its size and nature of its business.	Loans were applied by the Company for the purpose for which the loans were obtained.		
	(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.	(f) The Company has taken loans, and the rate of interest & other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 is not prejudicial to the interest of the Company.	VIII.	In respect of the Company, the Central Government has not prescribed the maintainance of cost records under clause (d) of subsection (1) of section 209 of the Companies Act, 1956.	XVII.	According to the information and explanations given to us, we report that funds raised by the Company on short-term basis have not been utilised for long term basis.	
	(c) The Company has not disposed off substantial part of the Fixed Assets during the year.	(g) The repayment of interest & principal amount to parties, are not prejudicial to the Company.	IX.	According to the information and explanation given to us, there are no dues of sales-tax, wealth tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.	XVIII.	According to the information and explanations given to us, the Companyhas not made preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is not prejudicial to the interest of the Company does not arise.	
II.	(a) The Inventory has been physically verified during the year and in our Opinion, the frequency of verification is reasonable.	IV.	In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods.	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 preceding such financial year.	XIX.	According to the information and explanations given to us, the Company has not issued any debentures during the year and the clause of creating security of charge in respect of issue of debentures does not arise.
	(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.		There is no continuing failure by the Company to correct any major weaknesses in internal control.	XI.	According to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks or debenture holders.	XX.	According to information and explanations given to us, the Company has not raised money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by Public Issue is not applicable.
	(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.	V.	In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956.	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.	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.
III.	(a) The Company has not granted any loans, secured or unsecured to the companies, Firms or other parties covered in the register maintained under section 301 of the companies act 1956.	(a) In our opinion and according to the information and explanation given to us, since no contracts or arrangements referred to in Sec 301 of the Companies Act, 1956 have been made by 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.	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.			
	(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.	(b) In our opinion and according to the information and explanations given to us, as no such contracts or arrangements made by the Company, applicability of the clause of the charging the reasonable price having regard to the prevailing market prices at the relevant time does not arise.	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.			For P. Murali & Co., Chartered Accountants FRN: 007257S
	(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.			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.		P. Murali Mohana Rao Partner
	(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.	VI.	In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public and therefore, the provisions section 58A and 58AA of the Companies Act, 1956 and rules therefore not applicable to the Company.	XVI.	According to the information and explanations given to us, the Term	Place : Hyderabad Date : 03-09-2012	Membership No. 23412

Balance Sheet as at March 31, 2012

(Amount in ₹)			
Particulars	Note No.	As at 31-03-2012	As at 31-03-2011
I EQUITY AND LIABILITIES			
1. Shareholders Funds			
(a) Capital	1	178,929,470	178,929,470
(b) Reserves & Surplus	2	6,749,819,035	6,439,190,757
(c) Money Received Against Share Warrants	3	–	187,500,000
2. Non-Current Liabilities			
(a) Long-Term Borrowings	4	2,310,131,763	1,204,191,862
(b) Deferred Tax Liabilities (Net)	5	354,557,833	281,968,969
(c) Deferred Income - Advance towards Members Facilities		101,336,938	183,540,973
(d) Other Long-Term Liabilities	6	8,900,000	300,000
3. Current Liabilities			
(a) Trade Payables	7	232,698,673	240,322,752
(b) Deferred Income - Advance towards Members Facilities		82,204,037	98,727,646
(c) Other Current Liabilities	8	1,599,394,376	2,247,790,357
(d) Short-Term Provisions	9	303,219,026	308,952,638
TOTAL		11,921,196,151	11,371,415,424
II ASSETS			
1. Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10	5,793,095,722	4,475,195,943
(ii) Intangible Assets		6,032,249	7,323,869
(iii)Capital Work in progress		455,594,267	1,544,144,695
(b) Non-Current Investments	11	2,401,458,339	2,401,458,339
(c) Long-Term Loans and Advances	12	1,551,452,525	1,676,957,650
2. Current Assets			
(a) Current Investments	13	125,000	125,000
(b) Inventories	14	23,560,708	25,618,878
(c) Trade Receivables	15	42,276,409	49,485,073
(d) Cash and Cash Equivalents	16	263,240,623	134,480,779
(e) Short-Term Loans and Advances	17	1,326,540,920	956,542,694
(f) Other Current Assets	18	57,819,389	100,082,504
TOTAL		11,921,196,151	11,371,415,424
Significant Accounting Policies & Notes to Financial Statements	1 to 43		

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 : 03-09-2012

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

S. Subba Rao
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2012

(Amount in ₹)			
Particulars	Note No.	Ended 31-03-2012	Ended 31-03-2011
1. INCOME			
Revenue From Operations	19	2,444,866,216	2,167,087,702
Other Income	20	24,686,766	2,872,269
TOTAL REVENUE		2,469,552,982	2,169,959,971
2. EXPENDITURE			
Cost of Material Consumed	21	68,296,533	74,278,353
Employee Benefit Expenses	22	865,554,056	753,906,523
Finance Cost	23	193,568,452	137,392,672
Depreciation and Amortisation Expenses	10	195,046,503	184,268,410
Other Expenses	24	889,418,778	806,527,265
TOTAL EXPENDITURE		2,211,884,322	1,956,373,223
3. PROFIT			
Profit Before Tax (1 - 2)		257,668,660	213,586,748
Tax Expense:			
- Current Tax		51,553,701	42,568,907
- Deferred Tax		72,588,864	59,410,137
Profit for the Year		133,526,095	111,607,705
Earning Per Share			
- Basic		1.49	1.30
- Diluted		–	0.89
Significant Accounting Policies & Notes to Financial Statements	1 to 43		

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 : 03-09-2012

Cash Flow Statement for the year ended March 31, 2012

(Amount in ₹)		
Particulars	Current Year	Previous Year
I. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax	257,668,660	213,586,748
Adjustments for :-		
Depreciation	195,046,503	184,268,410
Interest Paid	188,083,438	137,392,672
Prior period expenses		
Interest Income	(24,686,766)	–
Operating Cash Flow before Working Capital Changes	616,111,835	535,247,830
(Increase) / Decrese in Inventory	2,058,170	(6,800,000)
(Increase) / Decrese in Trade Receivables	7,208,664	(225,790,000)
(Increase) / Decrese in Short Term Loans & Advances	(369,998,226)	–
(Increase) / Decrese in Other Current Assets	42,263,115	–
Increase / (Decrese) in Deferred Income(Current)	(16,523,609)	–
Increase / (Decrese) in Trade Payables	(7,624,079)	183,947,000
Increase / (Decrese) in Other Current Liabilites	(648,390,981)	–
Increase / (Decrese) in Short Term Provisions	(67,685,129)	–
Cash Generated from Operations	(442,580,240)	486,604,830
Add: Prior Period Expenses	–	–
Less: Income Tax Paid	–	–
Cash Generated from Operating Activities	(442,580,240)	486,604,830
II. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed Assets	(1,511,654,662)	(336,803,159)
Capital Work in Progress, Pre-operative Expenses	1,088,550,428	(558,889,366)
Investment	–	(131,881,000)
Misc Expenses	–	73,067,000
Interest Income	24,686,766	–
(Increase) / Decrese in Long Term Loans & Advances	125,505,125	-
Net Cash available from Investing Activities	(272,912,343)	(954,506,525)
III. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds From Issue of Equity Shares	–	70,666,000
Proceeds From Issue of Share Warrants	(187,500,000)	115,937,000
Repayment of Loan	1,105,939,901	–
Share Premiun and Capital Reserve	187,500,000	53,900,000
Interest Paid	(188,083,438)	(137,392,672)
Increase / (Decrese) in Other Long Term Liabilities	8,600,000	386,962,000
Proceeds From Membership Fees	(82,204,033)	(112,323,000)
Net Cash used in Financing Activities	844,252,427	377,749,328
Net increase in Cash and Cash Equivalents (I+II+III)	128,759,844	(90,152,367)
Opening balance of Cash & Cash Equivalents	134,480,779	224,633,146
Closing balance of Cash & Cash Equivalents	263,240,623	134,480,779

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 : 03-09-2012

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

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, 2012. 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 3rd September, 2012 to the members of the Company.

Yours faithfully,

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

P. Murali Mohana Rao
Partner

Place : Hyderabad
Date : 03-09-2012

Notes to the Financial Statements for the year ended 31st March, 2012

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:

- (a) The Company's business is to sell Vacation 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.

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.

Taxation:

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

Notes to the Financial Statements for the year ended 31st March, 2012

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 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.

Notes to the Financial Statements for the year ended 31st March, 2012

(Amount in ₹)		
Particulars	As at 31-03-2012	As at 31-03-2011
NOTE NO. 1: SHARE CAPITAL		
Authorised Capital	400,000,000	400,000,000
200000000 Equity Shares (Previous Year 200000000 Equity Shares)		
Issued, Subcribed & Fully Paid up:	178,929,470	178,929,470
89464735 Equity Shares (Previous Year 89464735 Equity Shares)		
	178,929,470	178,929,470
Par Value per Share	2	2

Notes:

- 1a. Terms /rights attached to equity shares
- i. The Company has only one class of shares referred to as equity shares having a par value of ₹2/-. Each Equity shareholder is entitled to one vote per share
 - ii. The Dividend proposed by the Board of Directors is subject to approval of the Shareholders in the Annual General Meeting
 - iii. For the year ended March 31, 2012 the amount of per share dividend proposed for equity shareholders is ₹0.10. The total dividend appropriation for the year ended March 31, 2012 amounted to ₹8,946,474 and tax on proposed dividend of ₹1,451,342

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period		
Total No of shares at opening accounting period	89,464,735	89,464,735
Add: No of shares issued during the year - Bonus Issue	–	–
Add: No of shares issued during the year - Cash Issue	–	–
Less : No of shares Forfeited/Bought Back during the year	–	–
Total No of shares at end of accounting period	89,464,735	89,464,735

Shares in the Company held by each shareholder holding more than 5% shares of the Company		
Y.Rajeev Reddy		
- No of Shares	33,788,386	33,537,386
- % held in the Company	37.77	37.49
Y.Manjula Reddy		
- No of Shares	6,647,125	6,647,125
- % held in the Company	7.42	7.42

Notes to the Financial Statements for the year ended 31st March, 2012

(Amount in ₹)		
Particulars	As at 31-03-2012	As at 31-03-2011
NOTE NO. 2: RESERVES AND SURPLUS		
Capital Reserve		
As per last year Balance Sheet	117,588,694	117,588,694
Add: Current Year Transfer of forfeited 30,000,000 warrants upfront money	187,500,000	–
	305,088,694	117,588,694
Securities Premium Account	4,962,471,969	4,962,471,969
Revaluation Reserve	24,270,349	24,270,349
General Reserve		
As per last year Balance Sheet	83,300,000	83,300,000
Add: Transfer from statement of Profit and Loss account	–	–
	83,300,000	83,300,000
Surpuls:		
Surpuls in Statement of Profit and Loss		
As per last year Balance Sheet	1,251,559,744	1,150,349,856
Add: Current year Profit	133,526,095	111,607,705
Available for Appropriations	1,385,085,839	1,261,957,561
Appropriations:		
Transfer to General Reserve	–	–
Proposed Final Dividend on Equity Shares	8,946,474	8,946,474
Tax on Proposed Dividend	1,451,342	1,451,342
	10,397,816	10,397,816
Surplus After Appropriations	1,374,688,023	1,251,559,745
Total Reserves and Surplus	6,749,819,035	6,439,190,757

NOTE NO. 3: SHARE WARRANTS

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

Notes to the Financial Statements for the year ended 31st March, 2012

(Amount in ₹)		
Particulars	As at 31-03-2012	As at 31-03-2011
NOTE NO. 4: LONG-TERM BORROWINGS		
Secured		
Term loans From Banks		
- Oriental Bank of Commerce Loan	121,863,791	162,340,305
- Oriental Bank of Commerce Loan - 2 (for expansion of existing Clubs and secured by way of Hypothecation of Land & Building)	40,646,085	50,498,729
- UBI Loan (for repayment of FCCBs and secured by way of Hypothecation of Land & Buildings)	519,200,000	–
- Vijaya Bank Loan (for repayment of FCCBs and secured by way of Hypothecation of Land & Buildings)	370,792,161	–
- Bank of India Loan (for repayment of FCCBs and secured by way of Hypothecation of Land & Buildings)	222,340,853	–
- Saraswat Co Op Bank Loan (for expansion of existing Clubs and secured by way of Hypothecation of Land & Building)	139,689,639	190,050,684
- Cosmos Bank Loan I	94,001,734	124,004,600
- Cosmos Bank Loan II (for expansion of existing Clubs and secured by way of Hypothecation of Land & Building)	124,712,437	164,858,822
- Ratnakar Bank Loan - I	115,426,189	147,627,366
- Ratnakar Bank Loan - II (for expansion of existing Clubs and secured by way of Hypothecation of Land & Building)	100,092,518	149,952,984
Equipment Finance (Loan from Citibank & Saraswath Co-Op Bank Ltd for Vehicles and the same were secured by way of hypothecation of the Vehicles)	1,070,484	1,251,059
Lease Finance (Loan from NOIDA Authority for Plot and the same was secured)	23,743,180	23,743,180
Term loans from Other Parties		
- Religare Finvest Ltd - Loan (for expansion of existing Clubs and secured by way of Hypothecation of Land & Building)	30,278,168	36,685,206
- Kavy Financial Services limited (for expansion of existing Clubs and secured by way of Hypothecation of Land & Building)	160,000,000	–
	2,063,857,239	1,051,012,935
Unsecured		
Loans and Advances From Related Parties		
- Country Vacations International Limited - Dubai	160,393,359	135,079,261
- Country Vacations International Limited - India	2,697,110	3,922,287
- Kolet Resorts Pvt Ltd	14,594,864	14,177,379
- Y.Rajeev Reddy	19,700,099	–
- Y.Varun Reddy	48,889,092	–
	246,274,524	153,178,927
	2,310,131,763	1,204,191,862

Notes to the Financial Statements for the year ended 31st March, 2012

(Amount in ₹)		
Particulars	As at 31-03-2012	As at 31-03-2011
NOTE NO. 5: DEFERRED TAX LIABILITIES (NET)		
Opening Deferred tax Liability	281,968,969	222,558,832
Add: Deferred Tax Liability for the year (Due to SLM and WDV Difference)	72,588,864	59,410,137
	354,557,833	281,968,969
NOTE NO. 6: OTHER LONG-TERM LIABILITIES		
Unsecured		
Deposits	8,900,000	300,000
	8,900,000	300,000
NOTE NO. 7: TRADE PAYABLES		
Total Outstanding Dues to Micro and Small Enterprises	–	–
Others	232,698,673	240,322,752
	232,698,673	240,322,752
NOTE NO. 8: OTHER CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	386,140,664	235,169,712
Unpaid Matured FCCBs	259,260,500	905,780,000
Advance Received from Customers	2,606,072	2,416,860
Unpaid Dividends	2,520,226	2,280,132
Dues to Statutory Authoritoes	15,437,404	21,621,510
Other Liabilities	570,726,207	634,739,941
Creditors for Capital Goods	362,708,303	445,782,202
	1,599,399,376	2,247,790,357
NOTE NO. 9: SHORT-TERM PROVISIONS		
Provision for Employee Benefits		
- Salaries Payable (Includes Incentives)	95,271,852	110,284,629
- PF Payable	55,85,791	5,193,956
- ESIC Payable	2,411,672	3,643,426
- PT Payable	2,176,520	1,385,624
Others		
- Provision for Income Tax	51,553,701	42,568,907
- TDS Payable	15,219,321	13,957,855
- Consultancy & Profesional Charges Payable	1,581,082	954,063
- Provision for Expenses	119,021,271	120,566,362
- Proposed Dividend	8,946,474	8,946,474
- Tax on Proposed Dividend	1,451,342	1,451,342
	303,219,026	308,952,638

Notes to the Financial Statements for the year ended 31st March, 2012

NOTE NO. 10: FIXED ASSETS (Amount in ₹)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	Gross Block as on 01-04-2011	Additions during the year	Deletions during the year	Gross Block as on 31-03-2012	Depreciation upto 1-04-2011	Depreciation during the year	Deletion depreciation during the year	Depreciation as on 31-03-2012	Net Block as on 31-03-2012	Net Block as on 31-03-2011
Tangible Assets										
Land & Site Development	436,122,747	–	16,424,795	419,697,952	–	–	–	–	419,697,952	436,122,747
Building	3,946,620,227	1,530,244,303	66,963,512	5,409,901,018	441,607,282	142,560,007	6,689,335	577,477,954	4,832,423,064	3,505,012,945
Furniture & Fixtures	309,554,501	42,345,676	3,818,657	348,081,520	88,898,601	19,031,608	729,848	107,200,361	240,881,159	220,655,900
Plant & Machinery	372,556,361	19,076,400	6,919,083	384,713,678	110,684,592	17,469,024	1,224,552	126,929,064	257,784,614	261,871,769
Computers	70,236,547	5,674,744	298,948	75,612,343	40,360,062	11,182,255	181,292	51,361,025	24,251,318	29,876,485
Vehicles	44,044,922	567,836	1,922,266	42,690,492	22,388,825	3,406,339	1,162,287	24,632,877	18,057,615	21,656,097
Total - A	5,179,135,305	1,597,908,959	96,347,261	6,680,697,003	703,939,362	193,649,233	9,987,314	887,601,281	5,793,095,722	4,475,195,943
Previous Year	4,847,203,416	336,735,509	1,686,010	5,182,252,915	521,304,400	182,876,974	242,012	703,939,362	4,475,195,943	4,325,899,016
Intangible Assets										
Goodwill	3,117,610	–	–	3,117,610	–	–	–	–	3,117,610	3,117,610
Software & Development	8,572,425	105,650	–	8,678,075	4,366,166	1,397,270	–	5,763,436	2,914,639	4,206,259
Total - B	11,690,035	105,650	–	11,795,685	4,366,166	1,397,270	–	5,763,436	6,032,249	7,323,869
Previous Year	8,504,775	67,650	–	8,572,425	2,974,730	1,391,436	–	4,366,166	4,206,259	5,530,045
Grand Total - (A+B)	5,190,825,340	1,598,014,609	96,347,261	6,692,492,688	708,305,528	195,046,503	9,987,314	893,364,717	5,799,127,971	4,482,519,812
Total Previous Year	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

Notes to the Financial Statements for the year ended 31st March, 2012

Particulars	As at 31-03-2012	As at 31-03-2011
NOTE NO. 11: NON-CURRENT INVESTMENTS		
Long Term Investments (At Cost,Un Quoted)		
Investment in Equity Shares of Subsidiaries(Non Trade Fully Paid Up)		
- 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	48,410,323
- Bush Betta Holiday Ownership Wildlife Adventure Resort Pvt Ltd, 1,000,000 Equity Shares of ₹10/- Each	18,500,000	18,500,000
- Kolet Resorts Private Limited 1,499,800 Equity Shares of ₹10/- Each	30,000,000	30,000,000
- J.J. Arts And Entertainment Private Limited 150,000 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 232,400 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	141,010,000	141,010,000
- Swimwel Investment and Trading Private Limited 10,000 Equity Shares of ₹10/- Each	100,000	100,000
- Club Arzee Limited 2,976,600 Equity Shares of ₹10/- Each	126,532,000	99,032,000
- Club Arzee Limited Share Appliation Money	–	27,500,000
Investment in Preference Shares of Subsidiaries (Non Trade Fully Paid Up)		
- Swami Vivekanand Training & Education Centre Pvt .Ltd	4,890,000	4,890,000
	2,401,458,339	2,401,458,339

Notes to the Financial Statements for the year ended 31st March, 2012

(Amount in ₹)		
Particulars	As at 31-03-2012	As at 31-03-2011
NOTE NO. 12: LONG-TERM LOANS AND ADVANCES		
Unsecured Considered Good		
Capital advance	510,283,602	691,286,057
Security Deposit	204,045,884	201,057,243
Loans and Advances to Related Parties		
- Advances given to Subsidiary Companies		
- Aquarian Realtors Pvt Ltd	117,667,482	80,830,575
- Jade Resorts Pvt Ltd	55,209,434	40,631,285
- Bright Resorts Pvt Ltd	4,659,739	3,048,444
- Chanakyapuri Resorts Pvt Ltd	1,745,587	877,654
- JJ Arts & Entertainment Pvt Ltd Loan	3,942,038	3,502,018
- Bush Betta Holiday Ownership Wild Life Adventure Resorts Pvt Ltd	57,760	52,245
- Swami Vivekanand Training & Edu. Centre Pvt Ltd	103,711,073	106,028,000
- Swimwell Trading Investment Pvt Ltd	38,007,696	36,390,634
- International Country Holidays Pvt Ltd. (formerly known as Aakruti Engineers Pvt Ltd)	460,592,072	460,344,205
- Maruti Water Park & Entertainment Private Limited	40,530	–
- Club Aarzee Ltd	21,157,810	23,289,958
- Advance to Babylon Resorts Pvt Ltd	21,924,332	21,924,332
Other loans And advances	8,407,486	7,695,000
	1,551,452,525	1,676,957,650

NOTE NO. 13: CURRENT INVESTMENTS

The Saraswat Coop Bank Ltd	25,000	25,000
The Cosmos Co-operative Bank Ltd.	100,000	100,000
	125,000	125,000

NOTE NO. 14: INVENTORIES

Inventories (at lower of cost & net realisable value) stores		
Food,Beverages,Smokes & Operating Supplies	4,809,843	4,148,233
Gifts	18,750,865	21,470,645
	23,560,708	25,618,878

NOTE NO. 15: TRADE RECEIVABLES

Receivables outstanding for more than six months from the date they are due for payment Unsecured & Considered Good	1,859,483	16,643,936
Receivables outstanding for less than six months from the date they are due for payment Unsecured & Considered Good	40,416,926	32,841,137
	42,276,409	49,485,073

Notes to the Financial Statements for the year ended 31st March, 2012

(Amount in ₹)		
Particulars	As at 31-03-2012	As at 31-03-2011
NOTE NO. 16: CASH AND CASH EQUIVALENTS		
Cash on hand	8,360,930	28,392,348
Balances with banks :		
- Current Accounts	137,476,563	91,749,792
- Fixed Deposits - with maturity of less/more than	114,876,195	11,998,401
Earmarked Accounts		
- Unpaid Dividend Accounts	2,526,935	2,340,238
	263,240,623	134,480,779

NOTE NO. 17: SHORT-TERM LOANS AND ADVANCES

Advance to Suppliers	5,435,696	3,153,780
Loans and Advances to Employees	7,647,389	10,928,992
Advances Recoverable in Cash or Kind - (Unsecured, Considered Good)	1,290,857,835	942,459,922
Advances with Statutory Authorities	22,600,000	–
	1,326,540,920	956,542,694

NOTE NO. 18: OTHER CURRENT ASSETS

VAT Receivables	9,988,533	5,588,911
TDS/TCS Receivables	2,473,611	10,593,414
Prepaid Expenses	5,566,059	5,353,723
Service Tax Credit Receivables	39,791,186	78,546,456
	57,819,389	100,082,504

(Amount in ₹)		
Particulars	Ended 31-03-2012	Ended 31-03-2011
NOTE NO. 19: REVENUE FROM OPERATIONS		
Sales of Services		
Income from Sale of Membership & Vacation Ownership	1,958,884,872	1,759,984,680
Income from Hotel,Clubs & Resorts		
- Guest Accommodation	89,936,503	87,792,520
- Food & Beverages from Restaurant & Banquets	142,439,801	141,247,925
- Others	51,979,255	43,651,290
Annual Subscription Fee	181,630,312	115,457,265
Facilities	19,995,473	18,954,022
	2,444,866,216	2,167,087,702

Notes to the Financial Statements for the year ended 31st March, 2012

(Amount in ₹)		
Particulars	Ended 31-03-2012	Ended 31-03-2011
NOTE NO. 20: OTHER INCOME		
Interest Income		
- On Deposits with Bank	4,935,398	1,706,691
Lease Rent	5,394,000	911,855
Commision Received	210,856	29,648
Miscellaneous Income	14,104,346	224,075
Other Non - Operating Income	42,166	–
	24,686,766	2,872,269

NOTE NO. 21: COST OF MATERIAL CONSUMED

Opening Stock of Food & Bevarages, Stores and Operating Supplies	4,148,233	4,226,908
Add: Purchases	68,958,143	74,199,678
Less: Closing Stock of Food & Bevarages, Stores and Operating Supplies	4,809,843	4,148,233
	68,296,533	74,278,353

NOTE NO. 22: EMPLOYEE BENEFIT EXPENSES

Salaries & Other Benefits	813,550,723	706,226,323
Contribution to Provident & Other Funds	27,075,446	19,230,726
Staff Welfare Expenses	24,927,887	28,449,474
	865,554,056	753,906,523

NOTE NO. 23: FINANCE COST

Interest on Term Loans	188,083,438	137,392,672
Interest on Other Borrowings	5,485,014	–
	193,568,452	137,392,672

Notes to the Financial Statements for the year ended 31st March, 2012

(Amount in ₹)		
Particulars	Ended 31-03-2012	Ended 31-03-2011
NOTE NO. 24: OTHER EXPENSES		
Upkeep & Service Cost		
- Building Maitenance	1,602,352	1,306,240
- Repairs, Maintenance to other assets.	12,117,443	9,124,952
- Vehicle Maintenance & Running Exp.	2,466,308	2,384,970
- Other Maintenance	32,130,684	44,827,114
Power & Fuel	61,968,629	69,527,504
Rent including Lease Rent	136,605,407	134,667,342
Rates & Taxes	52,098,362	46,793,484
Insurance	6,043,341	6,274,518
Finance Charges	91,166,999	56,818,705
Travelling & Conveyance	41,272,080	44,876,248
Printing & Stationery	34,422,281	27,371,704
Postage, Telegram & Telephones	54,422,000	59,781,464
Advertisement, Other Marketing Expenses & Administrative Expenses	217,000,956	275,448,160
Legal & Professional Charges.	45,171,411	21,326,522
Net Loss on Foreign Currency Transaction and Translation(other than considered as finace cost)	99,930,525	5,698,338
Auditor’s Remuneration Includes		
- Audit Fee	500,000	200,000
- For Taxation Matters	200,000	50,000
- For Other Services	300,000	50,000
	889,418,778	806,527,265

Notes to the Financial Statements for the year ended 31st March, 2012

NOTE NO. 25

Particulars of Employees in accordance with Sub-section (2A) of Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule 1975.

			(Amount in ₹)
S. No	Name of the Directors	Designation	Remuneration
1.	Mr. Y. Rajeev Reddy	Chairman & Managing Director	3,600,000
2.	Mr. Y. Siddharth Reddy	Vice-Chairman, JMD & CEO	3,000,000
3.	Mr. Y. Varun Reddy	Vice-Chairman, JMD & COO	3,000,000
4.	Mr. D. Krishna Kumar Raju	Vice-Chairman & Executive Director	3,000,000

NOTE NO. 26

In relation of Managerial Remuneration:

(Amount in ₹)		
Particulars	Current year	Previous year
Directors' Remuneration	12,600,000	12,600,000
Brand Ambassador Fee	4,800,000	4,800,000

NOTE NO. 27

Auditors Remuneration:

(Amount in ₹)		
Particulars	Current year	Previous year
Audit Fees	500,000	200,000
Tax Audit Fee	200,000	50,000
Certification Fee	300,000	50,000

NOTE NO. 28

The Company had raised FCCBs of \$25 million in the year 2006, out of which \$5 million has already been converted into Equity Shares in October 2007. Further during the Financial Year 2011-12 the Company redeemed FCCBs amounting to \$15 million and has subsequently extinguished/redeemed entire FCCBs liability as on date of this report.

NOTE NO. 29

During the financial year 2011-12 the Company has forfeited 30,000,000 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 12th January 2012, which is passed by the Board of Directors of the Company.

NOTE NO. 30

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.

Notes to the Financial Statements for the year ended 31st March, 2012

NOTE NO. 30 (Contd...)

ii) Income of the Company includes the following:

(Amount in ₹)		
Particulars	Current Year	Previous Year
Guest Accommodation, Restaurants & Banquets	284,355,560	272,691,735
Subscription from Members	2,140,515,184	1,875,441,945
Facilities	19,995,473	18,954,022
Other Income	24,686,766	872,269
Total	2,469,552,982	2,169,959,971

iii) Consumption of Provisions and Stores:

(Amount in ₹)				
Provisions & Stores	Opening Stock	Purchases	Closing Stock	Consumption
Current Year	4,148,233	68,958,143	809,843	68,296,533
Previous Year	4,226,908	74,199,678	4,148,233	74,278,353

NOTE NO. 31

Earnings and Expenditure in Foreign Currency

a) Foreign Currency Earnings

(Amount in ₹)		
Particulars	Current Year	Previous Year
Foreign Currency Earnings (Foreign Currency earnings includes Membership Fee)	69,812,905	45,042,957

b) Foreign Currency expenditure/out flow as follows

(Amount in ₹)		
Particulars	Current Year	Previous Year
Travelling Expenses	4,016,150	368,837
Loan to Subsidiary Company	290,000,000	–
Investment in Subsidiary Company	–	5,349,300

NOTE NO. 32

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.

NOTE NO. 33

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

NOTE NO. 34

The Closing balances shown under the heads debtors/creditors, loans and advances are subject to confirmations as at year end.

Notes to the Financial Statements for the year ended 31st March, 2012

NOTE NO. 35

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	51,553,701	42,568,907
Deferred Tax	72,588,854	59,410,137

NOTE NO. 36

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 Ltd	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
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.	Country Club & Vacations W.L.L - Qatar	Step-Down Subsidiary Company
23.	Y. Manjula Reddy	Director
24.	Y. Varun Reddy	Vice-Chairman, JMD & COO
25.	Club Arzee Limited	Subsidiary Company
26.	Country Vacations International LLC–Abu Dhabi	Step-Down Subsidiary Company
27.	Country Vacations International W.L.L – Bahrain	Step-Down Subsidiary Company

Notes to the Financial Statements for the year ended 31st March, 2012

NOTE NO. 36 (Contd...)

B. Transactions during the year with Related Parties.

Nature of Transaction	Subsidiary Companies including Step-Down Subsidiaries	Associate Companies	Other Related Parties
Lease Rentals	900,000	1,792,000	5,050,200
Land	–	25,366,000	–
Membership Sale	69,812,905	–	–
Directors’ Remuneration	–	–	12,600,000
Brand Ambassador Fee	–	–	4,800,000
Loan to Subsidiaries	290,000,000	–	–
Loan from Subsidiaries	236,649,878	–	–

NOTE NO. 37

The Basic and Diluted EPS is Calculated as under

Particulars	31st March, 2012	31st March, 2011
a) Profit after Tax (₹)	133,526,095	111,607,705
b) Earnings available to Equity Shareholders for Basic & Diluted EPS (₹)	133,526,095	111,607,705
c) Weighted average Number of Shares taken for computation of EPS		
- Basic	89,464,735	86,118,911
- Diluted	–	124,777,151
d) Earning per Share		
- Basic (₹)	1.49	1.30
- Diluted (₹)	–	0.89
e) Nominal Value per Share (₹)	2	2

NOTE NO. 38

Secured Loans

- a) 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 Nos. 2,9,10/1,10/2 & 11/4 at village Lakarpur, EROS Regency Township, Surajkund, Faridabad, Haryana. The Outstanding Balance for the Current Year is ₹212,509,876/- (Previous Year ₹252,839,034/-)
- b) During the year the Company has obtained ₹115 Crore loan from consortium of three banks i.e. Union Bank of India, Vijaya Bank and Bank of India towards repayment of FCCBs. The above mentioned loan amount has been secured by way of properties located in Hyderabad, Bangalore, Chennai and Kodaikanal. Further a charge has been created on Delhi & Karnataka cash flows for servicing of the above loan. Additionally, the personal guarantees are also given by three directors (i.e. Mr. Y. Rajeev Reddy, Mr. Y. Siddharth Reddy & Mr. Y. Varun Reddy).
- c) Term Loans from Ratnakar Bank, Loan – I & II of ₹45 Crores for expansion of existing Clubs are secured by way of mortgage of plot lying and hereon constructed

Notes to the Financial Statements for the year ended 31st March, 2012

NOTE NO. 38 (Contd...)

- 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 that plot of land forming part of land bearing Survey No.55/1, Khata No.144/131 (K) KIADB, Deevarambeesanhalli, Varthur Hobli, off Sarjapur Road, Bangalore South. The Outstanding Balance for the Current Year is ₹297,719,884/- (Previous Year ₹379,781,527/-)
- d) 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, Secretariat Road, Hyderabad solely belonging to the Company. The Outstanding Balance for the Current Year is ₹189,689,696.10 (Previous Year ₹240,050,684/-)
- e) 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 ₹288,714,171 /-(Previous Year ₹342,863,422/-)
- f) Term Loan from Karvy Financial Services Ltd. amounting to ₹22 Crores for the corporate purpose and secured by way of mortgage of properties belonging to M/S Bushbetta Holiday Ownership Wildlife Adventure Resorts Pvt Ltd, Bright Resorts Pvt Ltd and CK27 Koramangala (Bangalore). The Outstanding Balance for the Current Year is ₹22 Crores (Previous Year - Nil).
- g) 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 ₹36,677,087/- (Previous Year ₹42,490,208/-)
- h) Equipment Finance loans from Citibank & Saraswath 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 ₹2,019,424/- (Previous Year ₹4,414,592/-).
- i) Lease Finance Loan from NOIDA Authority of ₹2.37 Crores for Plot and the same is secured against the Plot No. N-14, Sector – 18, Noida, Uttar Pradesh. The Outstanding Balance for the Current Year is ₹23,743,180/- (Previous Year ₹23,743,180/-).

NOTE NO. 39

In terms of the Scheme of Amalgamation submitted before the Hon'ble High Court at Andhra Pradesh, the Development of Land and Building services of the Company (Amrutha Estates and Hospitality Private Limited) comprising of the Development and allotment of Lands and certain investments, loans and advances etc. were proposed to be transferred to and vested in Country Club (India) Limited on a going concern basis with effect from 1st April 2011. The Scheme was approved by the Board of Directors of the Company (Amrutha Estates and Hospitality Private Limited) in the Board Meeting held on 1st September, 2011.

The Company based on the above had filed the Application for convening the meeting of Shareholders, Secured Creditors and Sundry Creditors vide Company Application Nos. 516, 517 and 518 of 2012. In this regard, Hon'ble Court has passed the common order dated 20-06-2012 stating “Pursuant to the meeting of the Shareholders, Secured Creditors and Sundry Creditors being convened and held on 11.06.2012, respective chairman have filed their respective reports and as such no further orders need to be passed in these applications. All the three applications are, accordingly, closed.”

Further Petitions on the above is pending for approval before the Hon'ble High Court. Further, pending approval of the Hon'ble High Court of Andhra Pradesh, the effect of transfer of certain investments, loans, advances and assets has not been given effect in the books of accounts of the Company, which will be done, on receipt of final order by the Hon'ble High Court.

NOTE NO. 40

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.

Notes to the Financial Statements for the year ended 31st March, 2012

NOTE NO. 41

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 2010-11	249,271
Unpaid Dividend for the year 2009-10	248,132
Unpaid Dividend for the year 2008-09	765,514
Unpaid Dividend for the year 2007-08	544,080
Unpaid Dividend for the year 2006-07	713,228

NOTE NO. 42

Previous year’s figures have been regrouped wherever necessary.

NOTE NO. 43

The figures have been rounded off to the nearest rupee.

As per our report of even date

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

P. Murali Mohana Rao
Partner
Membership No. 23412

Place: Hyderabad
Date : 03-09-2012

Y. Rajeev Reddy
Chairman & Managing Director

By Order of the Board of Directors
Country Club (India) Limited

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

S. Subba Rao
Company Secretary

ELECTRONIC CLEARING SERVICE (ECS) MANDATE FORM

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

To
M/s. Aarthi Consultants 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.

21st Annual General Meeting

Country Club (India) Limited

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

Attendance Slip

Date

29th September, 2012

Venue

Shri Agrasen Bhavan
149, Brig Sayeed Road, Sappers Line, Secunderabad - 500 003

Time

10:30 A.M.

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

I certify that I am a registered shareholder of the Company, hold above-mentioned shares in the Company, and hereby record my present at the 21st 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.

21st Annual General Meeting

Country Club (India) Limited

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

Proxy Form

Regd. Folio No.: _____

No. of shares _____

DP ID No. _____

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 21st Annual General Meeting of the Company to be held on Saturday, 29th September, 2012 at 10:30 a.m. at Sri Agrasen Bhavan, # 149, Brig. Sayeed Road, Sappers Line, Secunderabad and at any adjournment thereof.

As witness my/our hand (s) this _____ day of _____ of 2012

Signed by the said _____

- Note:**
- 1) The Proxy need not be a member of the Company.

2) The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

Affix ₹1
revenue
stamp and
sign across

