



why go anywhere else

COUNTRY CLUB

Hospitality & Holidays Limited

26th | Annual Report
2016-2017

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Corporate Information

Board of Directors

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

| | | |
|-------------------------|---|------------------------|
| Company Secretary | : | Smt V. Sreelatha |
| Chief Financial Officer | : | Shri K. Phaneendra Rao |

CONTACTS

Registered Office

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

Corporate Office

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

Phone: +91 40 6684 8888

Fax: +91 40 6684 3444

Website: www.countryclubindia.net

Registrar and Share Transfer Agents

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

Statutory Auditors

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

Bankers

Canara Bank

Central Bank of India

Union Bank of India

Vijaya Bank

Bank of India

Oriental Bank of Commerce

Saraswat Co-Operative Bank Limited

Cosmos Co-Operative Bank Limited

National Bank of Fujairah

Listed on

Equity: BSE Limited, Mumbai

National Stock Exchange of India Limited, Mumbai

Book Closure Dates: 23rd September, 2017 to 28th September, 2017 (Both days inclusive)

Country Club Hospitality & Holidays Limited

CIN: L70102AP1991PLC012714

NOTICE is hereby given that the 26th Annual General Meeting of the members of M/s. Country Club Hospitality & Holidays Limited will be held on Thursday, the 28th day of September, 2017 at 12.00 Noon at Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad - 500 003 to transact the following business:

Ordinary Business:

1. Adoption of Financial Statements:
To receive, consider and adopt:
 - a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and Auditors thereon.
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and Auditors thereon.

2. Appointment of Director:

To appoint a Director in place of Mr. Y. Rajeev Reddy (DIN: 00115430), Director who retires by rotation and being eligible offers himself for re-appointment.

3. Appointment of Auditor:

"RESOLVED THAT, pursuant to provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) M/s.Chandra Babu Naidu & Co., Chartered Accountants, Hyderabad, (Firm Registration No. 016016S) be and are hereby appointed as Statutory Auditors of the Company (in place of M/s.P.Murali & Co., Chartered Accountants, Hyderabad (Firm Registration No. 007257S)) for a term of five years commencing from the Company's Financial Year ending March 31, 2018 to hold office from the conclusion of the 26th Annual General Meeting of the Company till the conclusion of the 30th Annual General Meeting (subject to ratification of their appointment by the Members at every intervening Annual General Meeting held after this Annual General Meeting) on such remuneration plus service tax, out-of-pocket expenses, as may be mutually agreed upon by the Board of Directors and the Statutory Auditors.

Special Business:

4. REVISION IN TERMS OF REMUNERATION PAYABLE TO SRI. Y. VARUN REDDY (DIN: 01905757), VICE-CHAIRMAN, JMD & COO:

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Central Government and such other consents and permissions as may be required, the consent of the members of the Company be and is hereby accorded for the revision in remuneration payable to Sri Y. Varun Reddy (DIN: 01905757) **VICE-CHAIRMAN, JMD & COO** for a period of 3 (three) years with effect from 1st October, 2017.

RESOLVED FURTHER THAT Sri Y. Varun Reddy (DIN: 01905757), shall be entitled to the following revised remuneration, perquisites and benefits on the following terms and conditions:

- A) Salary of Rs. 8,40,000/- (Rupees Eight Lakh Forty Thousand Only) per month. This includes dearness

allowance and all other allowances not otherwise specified herein.

B) In addition, he shall be entitled to the following:

(i) Perquisites as under not exceeding Rs.30,000/- per month:

- a) **Housing:** Rent-free accommodation will be provided to him from whom 10% of his salary shall be recovered. In case no accommodation is provided by the Company, house rent allowance at 60% of the salary shall be paid. In addition, he shall be allowed free use of the Company owned furniture and other consumable durables, if required.
- b) The expenditure incurred by him for gas, electricity, water and furnishings shall be reimbursed by the Company.
- c) All medical expenses incurred by him shall be reimbursed.
- d) Fees of Club shall be reimbursed subject to the maximum of two clubs; Admission Fees and Life Membership Fees.
- e) Personal accident insurance - the premium of which shall not exceed Rs.10000/- per annum.
- f) Contribution to the provident fund, superannuation fund, annuity fund to the extent the same are not taxable under the Income Tax Act.
- g) Provision of Car with driver for use on Company's business and Mobile phone and Telephone at the residence.

(ii) **OTHER BENEFITS:**

- a) Gratuity is payable at a rate not exceeding Half Month Salary for each completed year of Service.
- b) Tuition Fees of 2 Children on Actual Expenditure incurred by the Director.
- c) Encashment of earned leave at the rate of 30 days per annum at the end of his tenure.
- d) Leave travel concession for him will be allowed once in a year as may be decided by the Board.
- (iii) **Commission:** He shall be paid performance based commission up to 2.5% (including salary and perquisites hereafter stated) of the net profits calculated in accordance with Section 198 of the Companies Act, 2013 for each financial year.
- (iv) **Overall Remuneration:** The aggregate of the salary, Commission, perquisites and other emoluments in any financial year shall not exceed the limits prescribed from time to time under Sections 196, 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act, as may for the time being be in force.

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

RESOLVED FURTHER THAT the board be and is hereby authorized to do all such acts, deeds, matters and things as it may needs absolute discretion deem necessary, desirable and expedient for such purpose including without limitation and take all such steps as may be necessary, proper or expedient in order to give effect to this resolution."

5. REVISION IN TERMS OF REMUNERATION PAYABLE TO SRI. Y. SIDDHARTH REDDY (DIN: 00815456), VICE-CHAIRMAN, JMD & CEO:

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Central Government and such other consents and permissions as may be required, the consent of the members of the Company be and is hereby accorded for the revision in remuneration payable to Sri Y. Siddharth Reddy (DIN: 00815456) **VICE-CHAIRMAN,**

JMD & CEO for a period of 3 (three) years with effect from 1st October, 2017.

RESOLVED FURTHER THAT Sri Y. Siddharth Reddy (DIN: 00815456), shall be entitled to the following revised remuneration, perquisites and benefits on the following terms and conditions:

- A) Salary of Rs. 8,40,000/- (Rupees Eight Lakh Forty Thousand Only) per month. This includes dearness allowance and all other allowances not otherwise specified herein.
- B) In addition, he shall be entitled to the following:
 - (i) Perquisites as under not exceeding Rs.30,000/- per month:
 - a) **Housing:** Rent-free accommodation will be provided to him from whom 10% of his salary shall be recovered. In case no accommodation is provided by the Company, house rent allowance at 60% of the salary shall be paid. In addition, he shall be allowed free use of the Company owned furniture and other consumable durables, if required.
 - b) The expenditure incurred by him for gas, electricity, water and furnishings shall be reimbursed by the Company.
 - c) All medical expenses incurred by him shall be reimbursed.
 - d) Fees of Club shall be reimbursed subject to the maximum of two clubs; Admission Fees and Life Membership Fees.
 - e) Personal accident insurance - the premium of which shall not exceed Rs.10000/- per annum.
 - f) Contribution to the provident fund, superannuation fund, annuity fund to the extent the same are not taxable under the Income Tax Act.
 - g) Provision of Car with driver for use on Company's business and Mobile phone and Telephone at the residence.
 - (ii) **Other Benefits:**
 - a) Gratuity is payable at a rate not exceeding Half Month Salary for each completed year of Service.
 - b) Tuition Fees of 2 Children on Actual Expenditure incurred by the Director.
 - c) Encashment of earned leave at the rate of 30 days per annum at the end of his tenure.
 - d) Leave travel concession for him will be allowed once in a year as may be decided by the Board.
 - (iii) **Commission:** He shall be paid performance based commission up to 2.5% (including salary and perquisites hereafter stated) of the net profits calculated in accordance with Section 198 of the Companies Act, 2013 for each financial year.
 - (iv) **Overall Remuneration:** The aggregate of the salary, Commission, perquisites and other emoluments in any financial year shall not exceed the limits prescribed from time to time under Sections 196, 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act, as may for the time being be in force.

RESOLVED FURTHER THAT the above remuneration payable to Sri Y. Siddharth Reddy (DIN: 00815456), as Vice-Chairman, JMD & Chief Executive Officer, during the tenure of office shall be subject to the limits prescribed under Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the board be and is hereby authorized to do all such acts, deeds, matters and things as it may needs absolute discretion deem necessary, desirable and expedient for such purpose including without limitation and take all such steps as may be necessary, proper or expedient in order to give effect to this resolution."

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

**Place: Hyderabad
Date : 11th August, 2017**

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

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Corporate Office at Country Club Kool, #6-3-1219, 4th & 5th Floor, Begumpet, Hyderabad- 500016, duly completed and signed, not later than 48 hours before the commencement of the meeting.
3. A Proxy Form is annexed to this Report. Members/Proxies should bring duly filled attendance slips sent herewith for attending the meeting along with the copies of Annual Reports to the Annual General Meeting. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the AGM.
4. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses with the Company, physical copies of the Annual Report are being sent by the permitted mode. Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 23rd September, 2017 to Thursday, 28th September, 2017 (both days inclusive).
6. **Investor Education & Protection Fund:**
The amount which was lying in the Un-claimed Dividend Account of the Company for the FY 2008 - 2009 of Rs. 8,62,721 (Rupees Eight Lakhs Sixty Two Thousand Seven Hundred Twenty One Only) has been transferred to Investor Education & Protection Fund Account (IEPF).
7. **Un-Paid / Un-claimed Dividend Amount:**
Following amounts are lying in the Un-paid / Un-claimed Dividend Account of the Company:

| Financial Year | Amount | Due date for transfer of unpaid dividend amount to IEPF |
|----------------|--------|---|
| 2013 - 2014 | 271727 | 29th October, 2021 |
| 2012 - 2013 | 269231 | 29th October, 2020 |
| 2011 - 2012 | 243578 | 28th October, 2019 |
| 2010 - 2011 | 233626 | 29th October, 2018 |
| 2009 - 2010 | 247017 | 29th October, 2017 |

8. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, as amended from time to time, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 22nd September, 2017, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of

the Annual Report and before the book closure may approach the CDSL/ RTA for issuance of the User ID and Password for exercising their right to vote by electronic means. The e-voting period will commence at 9.00 a.m. on Monday, 25th September, 2017 and will end at 5.00 p.m. on Wednesday, 27th September, 2017. The Company has appointed Smt. Rashida Adenwala (Membership No. FCS 4020), Practising Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

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

The instructions for shareholders voting electronically are as under:

- (i) The voting period will commence at 9.00 a.m. on Monday, 25th September, 2017 and will end at 5.00 p.m. on Wednesday, 27th September, 2017. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 22nd September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also

used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
 - (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
 - (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
 - (xix) **Note for Non - Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
1. The results shall be declared within 48 hours from the conclusion of the AGM. The results along with the Scrutinizer's Report shall also be placed on the website of the Company.
 2. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / M/s. Aarthi Consultants Private Limited, (Unit: Country Club Hospitality & Holidays Limited).

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

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

Item # 4: Revision in terms of Remuneration Sri Y. Varun Reddy (DIN: 01905757) as Vice-Chairman, JMD & COO:

Sri Y. Varun Reddy, was re-appointed as the Vice-Chairman, Joint Managing Director & COO by the Members of the Company at the 25th Annual General Meeting held on 30th September, 2016 for a period of 5 years. He is the promoter director of the Company and he has been working with complete dedication, hard work and effective leadership.

The Board reviewed the performance achieved by the Company under his leadership and appreciated the same. Further in order to avail his uninterrupted services for the growth of the company, and upon the recommendations made by the Nomination and Remuneration Committee, the board has proposed to revise the remuneration of Sri Y. Varun Reddy for a further period of 3 years w.e.f 1st October, 2017 to 30th September, 2020 on the terms and conditions as mentioned in the resolution.

The revision of remuneration and the terms of remuneration payable to Sri Y. Varun Reddy, as Vice-Chairman, Joint Managing Director & COO of the Company requires the approval of Members in General Meeting pursuant to Section 196 of the Companies Act, 2013. Hence the Members approval is being sought for the said resolution.

I. GENERAL INFORMATION:

| 1. | Nature of industry | HOSPITALITY & HOLIDAYS | | |
|----|---|--|-------------------------------|-------------------------------|
| 2. | Date or expected date of commencement of commercial production | Commercial Operations of the Company have started during the year 1991 | | |
| 3. | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable | | |
| 4. | Financial performance based on given indicators | 2016-17 (in lakhs) | 2015-16 (in lakhs) | 2014-15 (in lakhs) |
| | Income from Operations (Gross) | 26,038.83 | 29,328.57 | 27,318.08 |
| | Profit/Loss Before tax | (700.92) | (184.87) | (654.84) |
| | Profit /Loss after Tax | (1491.05) | (1144.82) | (1,129.18) |
| 5. | Foreign investments or collaborations, if any | The Company has made investment in the following overseas subsidiaries:- 1. Country Club Babylon Resort Private Limited, Sri Lanka 2. Country Vacations International Limited, Dubai | | |

II. INFORMATION ABOUT THE APPOINTEE:

1. Background details:

Mr. Y. Varun Reddy, 32 years, the youngest COO on the Corporate India Circuit, Varun Reddy stepped into the corporate zone in his teens.

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

2. Past remuneration:

Presently he is drawing the following remuneration:

| Salary (including HRA) | Commission | Other | Total |
|---------------------------|-------------------------|-------|-----------|
| 36,00,000 | 2.5% of the Net Profits | NIL | 36,00,000 |

3. Recognition or awards: NIL

4. Job profile and his suitability:

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

5. Remuneration proposed:

It is proposed to pay the remuneration as set out in the resolution as follows:

| Salary (including HRA) | Commission | Other | Total |
|---------------------------|-------------------------|-------|-------------|
| 1,00,80,000 | 2.5% of the Net Profits | NIL | 1,00,80,000 |

6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

The remuneration payable to the Whole-time Directors has been benchmarked with the remuneration being drawn by similar positions in Hospitality Industry and has been considered by the Nomination & Remuneration Committee of the Company at their meeting held on August 11, 2017.

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

As on 31st March, 2017, Mr. Varun Reddy is holding 2081000 Equity Shares of the Company. Except to the extent of his remuneration and shareholding he does not have any other pecuniary relationship with the Company. Sri Y. Rajeev Reddy, Chairman and Managing Director, Sri Y. Siddharth Reddy, Vice-Chairman, Joint Managing Director and Chief Executive Officer and Smt. Y. Manjula Reddy, Director are relatives to him within the meaning of the Companies Act, 2013.

III. **Other information:**

(1) **Reasons of loss or inadequate profits:**

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

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

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

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

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

Item # 5: Revision in terms of Remuneration Sri Y. Siddharth Reddy (DIN: 00815456) as Vice-Chairman, JMD & CEO:

Sri Y. Siddharth Reddy (DIN: 00815456), was re-appointed as the Vice-Chairman, Joint Managing Director & CEO by the Members of the Company at the 24th Annual General Meeting held on 30th September, 2015 for a period of 5 years.

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

The Board reviewed the performance achieved by the Company under his leadership and appreciated the same. Further in order to avail his uninterrupted services for the growth of the company, and upon the recommendations made by the Nomination and Remuneration Committee, the board has proposed to revise the remuneration of Sri Y. Siddharth Reddy for a further period of 3 years w.e.f 1st October, 2017 to 30th September, 2020 on the same terms and conditions as mentioned in the resolution.

The revision of remuneration and the terms of remuneration payable to Sri Y. Siddharth Reddy, as Vice-Chairman, Joint Managing Director & CEO of the Company require the approval of Members in General Meeting pursuant to Section 196 of the Companies Act, 2013, Hence the Members approval is being sought for the said resolution.

I. **GENERAL INFORMATION:**

| 1. | Nature of industry | HOSPITALITY & HOLIDAYS |
|----|---|--|
| 2. | Date or expected date of commencement of commercial production | Commercial Operations of the Company have started during the year 1991 |
| 3. | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable |

| | | | | |
|----|---|--|-------------------------------|-------------------------------|
| 4. | Financial performance based on given indicators | 2016-17 (in lakhs) | 2015-16 (in lakhs) | 2014-15 (in lakhs) |
| | Income from Operations (Gross) | 26,038.83 | 29,328.57 | 27,318.08 |
| | Profit/Loss Before tax | (700.92) | (184.87) | (654.84) |
| | Profit /Loss after Tax | (1491.05) | (1144.82) | (1,129.18) |
| 5. | Foreign investments or collaborations, if any | The Company has made investment in the following overseas subsidiaries:- 1. Country Club Babylon Resort Private Limited, Sri Lanka 2. Country Vacations International Limited, Dubai | | |

II. INFORMATION ABOUT THE APPOINTEE:

1. Background details:

Mr. Y. Siddharth Reddy is a natural leader and a thorough bred entrepreneur who stepped into a dream to achieve new levels of corporatism. He was only the 3rd person in his high schools 75 year old history to be appointed to four leadership positions simultaneously including the Deputy Head Boy. He then went on to become the youngest speaker ever to be invited to speak at various institutions including most at the business school at The University of Texas at Austin.

He worked with Merrill Lynch just before his senior year and refused 5 employment offers with companies like IBM, Intel, etc before he decided to move to India to work with his father. Siddharth joined Country Club Hospitality & Holidays Ltd in 2005 to transform Country Club Hospitality & Holidays Ltd to large size along with his father initially and later on with brother into the huge leisure giant it has become today.

2. Past remuneration:

Presently he is drawing the following remuneration:

| Salary (including HRA) | Commission | Other | Total |
|---------------------------|-------------------------|-------|-----------|
| 36,00,000 | 2.5% of the Net Profits | NIL | 36,00,000 |

3. Recognition or awards: NIL

4. Job profile and his suitability:

Mr. Y. Siddharth Reddy, Vice-Chairman, JMD & CEO has been taking care of Accounts, Finance, Cash Management System & Compliance Departments, Since his tenure as Joint Managing Director, he has steered the Company with total dedication, hard work and effective leadership into diversified activities.

5. Remuneration proposed:

It is proposed to pay the remuneration as set out in the resolution as follows:

| Salary (including HRA) | Commission | Other | Total |
|---------------------------|-------------------------|-------|-------------|
| 1,00,80,000 | 2.5% of the Net Profits | NIL | 1,00,80,000 |

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

The remuneration payable to the Whole-time Directors has been benchmarked with the remuneration being drawn by similar positions in Hospitality Industry and has been considered by the Nomination & Remuneration Committee of the Company at their meeting held on March 3, 2017.

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

As on 31st March, 2017, Mr. Y. Siddharth Reddy is holding 3526750 Equity Shares of the Company. Except to the extent of his remuneration and shareholding he does not have any other pecuniary relationship with the Company. Sri Y. Rajeev Reddy, Chairman and Managing Director, Sri Y. Varun Reddy, Vice-Chairman Joint Managing Director and Chief Operating Officer and Smt. Y. Manjula Reddy, Director are relatives to him within the meaning of the Companies Act, 2013.

III. **Other information:**

(1) **Reasons of loss or inadequate profits:**

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

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

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

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

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

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

Place: Hyderabad
Date : 11th August, 2017

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

ADDITIONAL INFORMATION

**As per Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements), 2015
As required under the Listing Agreement, the particulars of Directors who seek appointment /
re-appointment are given below:**

1.

| Particulars | Details of Directors seeking appointment/re-appointment |
|---|--|
| Name of the Director | Sri. Y. Rajeev Reddy |
| Director Identification Number (DIN) | 00115430 |
| Date of Birth | 02nd October, 1956 |
| Age | 61 |
| Date of Appointment | 17th May, 1991 |
| Qualification | B.com (Hons) |
| Experience | Vast Experience in Leisure and Hospitality Industry. |
| Terms and conditions of appointment | Sri. Y. Rajeev Reddy who retire by rotation at the 26 th Annual General Meeting and being eligible, offer himself for re-appointment. |
| Number of Meetings of the Board attended during the year | 06 |
| Specific Functional areas | Mr. Y. Rajeev Reddy is the Founder, Chairman & Managing Director and Brand Ambassador of the Company. With a vast experience in Leisure and Hospitality Industry he is representing the Company and introducing the Industry globally. |
| Directorships in other Listed/public/private Companies | 9 Public Companies & 3 Private Companies |
| Membership/chairmanship of Committees of the other Boards | NIL |
| No of Shares held in the Company | 106337986 Equity Shares of Rs 2/- each consisting of 65.05% |
| Inter- se Relationship between the Board Members/Manager/ KMP | Sri Y. Rajeev Reddy is H/o. Smt Manjula Reddy, Director and Father of Sri Y. Siddhart Reddy, Vice-Chairman, JMD & CEO and Sri Y. Varun Reddy, Vice-Chairman, JMD & COO of the Company. |

2.

| Particulars | Details of Directors seeking appointment/re-appointment |
|--------------------------------------|---|
| Name of the Director | Sri. Y. Varun Reddy |
| Director Identification Number (DIN) | 01905757 |
| Date of Birth | 06th May, 1985 |
| Age | 32 |
| Date of Appointment | 29th July, 2006 |
| Qualification | B.A (Eco), B.A (Corporate Communication) |
| Experience | Marketing and Corporate Communication |
| Terms and conditions of appointment | Revision of remuneration of Sri Y.Varun Reddy for a further period of 3 years w.e.f 1 st October, 2017 |

| | |
|---|--|
| Number of Meetings of the Board attended during the year | 07 |
| Specific Functional areas | Mr. Y. Varun Reddy, as Chief Operating Officer has been responsible for infusing far sweeping changes in the field of technology applications, Operations and Communications within the organization |
| Directorships in other Listed/public/private Companies | 10 Public Companies & 2 Private Companies |
| Membership/chairmanship of Committees of the other Boards | NIL |
| No of Shares held in the Company | 2081000 Equity Shares of Rs 2/- each consisting of 1.27% |
| Inter- se Relationship between the Board Members/Manager/ KMP | Sri Y. Varun Reddy is S/o. Sri. Y. Rajeev Reddy, Chairman & Managing Director and Smt. Y. Manjula Reddy, Director, and brother of Sri Y. Siddharth Reddy, Vice-Chairman, JMD & CEO of the Company. |

3.

| Particulars | Details of Directors seeking appointment/re-appointment |
|---|--|
| Name of the Director | Sri. Y. Siddharth Reddy |
| Director Identification Number (DIN) | 00815456 |
| Date of Birth | 21st February, 1983 |
| Age | 34 |
| Date of Appointment | 30th July, 2005 |
| Qualification | Degree in Finance from University of Texas, Austin. |
| Experience | Experience in Financial Planning and Financial Management |
| Terms and conditions of appointment | Revision of remuneration of Sri Y. Siddharth Reddy for a further period of 3 years w.e.f 1 st October, 2017 |
| Number of Meetings of the Board attended during the year | 06 |
| Specific Functional areas | Mr. Y. Siddharth Reddy, Vice-Chairman, JMD & CEO has been taking care of Accounts, Finance, Cash Management System & Compliance Departments |
| Directorships in other Listed/public/private Companies | 9 Public Companies & 3 Private Companies |
| Membership/chairmanship of Committees of the other Boards | NIL |
| No of Shares held in the Company | 3526750 Equity Shares of Rs 2/- each consisting of 2.13% |
| Inter- se Relationship between the Board Members/Manager/ KMP | Sri Y. Siddharth Reddy is S/o. Sri. Y. Rajeev Reddy, Chairman & Managing Director and Smt. Y. Manjula Reddy, Director, and brother of Sri Y. Varun Reddy, Vice-Chairman, JMD & COO of the Company. |

Directors' Report

To,
The Members of
M/s. Country Club Hospitality & Holidays Limited
The Directors are pleased in presenting the 26th Annual Report of the Company together with Audited Annual Accounts for the year ended 31st March, 2017.

Financial Results:

(Rupees in Lakhs)

| Particulars | Consolidated (Mar' 17) | | Standalone (Mar' 17) | |
|--|------------------------|---------------|----------------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year |
| Total Income | 45696.52 | 53308.11 | 26038.83 | 29328.57 |
| Operating profit before interest, depreciation and tax | 10181.26 | 12860.25 | 4781.27 | 5770.93 |
| Interest and financial charges | 4311.18 | 4814.39 | 3557.89 | 3984.69 |
| Depreciation | 4540.68 | 4328.92 | 1924.30 | 1971.11 |
| Profit before taxation | 1329.40 | 3716.94 | (700.92) | (184.87) |
| Tax | 841.12 | 1016.73 | 790.13 | 959.95 |
| Profit after taxation | 488.28 | 2700.20 | (1491.05) | (1144.82) |
| Transfer to General Reserves | Nil | Nil | Nil | Nil |
| Provision for dividend | Nil | Nil | Nil | Nil |
| Provision for dividend tax | Nil | Nil | Nil | Nil |
| Surplus carried to Balance Sheet | 488.28 | 2700.20 | Nil | Nil |

Statement of Affairs and Operations:

During the year under review, the Consolidated turnover of the Company was Rs. 456.96 Crores as compared to Rs. 533.08 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 is one of the favorite tourist destinations from the year 2009 and will continue to be one of the favorite till 2018, in accordance to world travel and tourism Council (WTTC). Further, the Travel and Tourism Competitiveness Report by World Economic Forum, has ranked India at the sixth place in tourism and hospitality.

Key segments of the Indian tourism and hospitality industry are:

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

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

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

medical tourism. Tour operators are teaming up with hospitals to tap this market.

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

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

Number of meetings of the board:

8 Board Meetings & 5 Audit Committee Meetings were held during the Financial Year 2016-17.

The Meetings of the other committees of the Board were held during the year 2016-17:

2 Nomination and Remuneration Committee meeting

1 Stake Holders relationship Committee

1 Independent Directors Meeting

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

Share Capital:

The Paid-up Share Capital of the Company stands at Rs. 32,69,29,470 (Rupees Thirty Two Crores Sixty Nine Lakhs Twenty Nine Thousand Four Hundred and Seventy Only) as on 31st March, 2017.

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

Management Discussion and Analysis:

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

CONSERVATION OF ENERGY, TECHNICAL ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO: Additional information as required U/s 134 of the Companies Act, 2013:

| | | |
|-----|--|--|
| (a) | Conservation of energy: (i) Steps taken on Conservation of energy: (ii) Steps taken for utilizing alternate sources of energy: (iii) Capital Investment on energy conservation equipments: | The Company is continuously monitoring the consumption of energy and implements wherever necessary the required measures for conserving it. |
| (b) | Technology absorption: (i) The efforts made towards technology: (ii) The benefits derived like products: (iii) In case of imported technology imported during the last three years: (iv) Research and development (R&D) | No technology - indigenous or foreign - is involved. No technology has been imported during the last three years. No research and development was carried out. |
| (c) | Foreign Currency Earnings/Inflow Foreign Currency Expenditure / Outflow | NIL NIL |

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

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

Particulars of Employees:

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

| Name of Director | Designation | Remuneration FY 16-17 | Remuneration in FY 15-16 | % of remuneration in 2017 as compared to 2016 | Ration of remuneration to MRE |
|--|------------------------------|------------------------------|---------------------------------|--|--------------------------------------|
| Y. Rajeev Reddy | Chairman & Managing Director | 84,00,000 | 84,00,000 | Nil | 70 times |
| Y.Siddharth Reddy | Vice-Chairman, JMD & CEO | 30,00,000 | 30,00,000 | Nil | 25 times |
| Y. Varun Reddy | Vice-Chairman, JMD & COO | 30,00,000 | 30,00,000 | Nil | 25 times |
| Key Managerial Personnel other than Directors: | | | | | |
| Kudligi Phaneendra Rao | Chief Financial Officer | 24,00,000 | 24,00,000 | Nil | 20 times |
| Sreelatha V | Company Secretary | 3,00,000 | 3,00,000 | Nil | 2.5 times |

1. The Median Remuneration of the employees of the Company during the financial year was Rs. 1,20,000/-
2. In the financial year, there was an increase of 5-10% in the median remuneration employees.
3. There are 4820 permanent Employees on the Rolls of the Company as on 31st March, 2017.
4. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee.
5. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - N.A. and
6. It is hereby confirmed that the remuneration is as per the remuneration policy of the Company.

The remuneration paid to the Key Managerial Personnel of the Company is as per remuneration policy Particulars of Employees receiving remuneration of Rs.1,02,00,000 or more per annum or Rs.8,50,000/- or more per month:

Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Directors are to report that none of the employees were in receipt of remuneration of Rs.1,02,00,000 or more per annum or Rs.8,50,000 or more per month.

Directors:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Sri. Y. Rajeev Reddy, Chairman & Managing Director of the Company who retire by rotation at the 26th Annual General Meeting and being eligible, offer himself for re-appointment.

Brief profile of the Managing Director for variation of terms of remuneration stating the nature of the 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.

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

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

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

Directors' Responsibility Statement:

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

- (a) that in the preparation of the annual accounts for the Financial year ended 31st March, 2017, the applicable accounting standards have been followed;
- (b) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017, and Profit and Loss Statement of the Company for that period;
- (c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the directors have prepared the annual accounts for the financial year ended 31st March, 2017, on a going concern basis;
- (e) that the directors have laid down internal controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

Related Party Transactions:

All the related party transactions are entered on arms length basis and are in compliance with the applicable provisions of the Act and the listing regulations. There are no materially significant related party transactions made by the Company during the Financial Year 2016-17 which may have the potential conflict with the interest of the company at large.

Thus disclosure in **Form AOC-2** is not required.

Auditors:

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and Rules made thereunder the term of office of M/s. P. Murali & Co., Chartered Accountants as the Statutory Auditors of the Company will conclude from the close of ensuing Annual General Meeting of the Company. The Board of Directors places on record its appreciation to the services rendered by M/s. P. Murali & Co., Chartered Accountants as the Statutory Auditors of the Company. Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of M/s. Chandra Babu Naidu & Co., Chartered Accountants (ICAI Firm Registration Number 016016S) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013. Accordingly, the Board recommends the resolution in relation to appointment of Statutory Auditors, for the approval by the shareholders of the Company.

M/s. Chandra Babu Naidu & Co., Chartered Accountants (ICAI Firm Registration Number 016016S) have expressed their willingness to get Appointed as the statutory auditors of the Company (In place of M/s.P.Murali & Co., Hyderabad) furnished their certificate of eligibility and consent for their Appointment under section 141

of the Companies Act, 2013 and the rules framed there under.

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

Types of Committees:

The Company has 4 different Committees, they are:

a) Audit Committee

Composition of the Audit Committee:

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

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

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

b) Nomination & Remuneration Committee

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

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

c) Stakeholders Relationship Committee

The Stakeholders Relationship Committee was constituted of the following Directors:

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

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

d) Corporate Social Responsibility Committee

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

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

Corporate Governance:

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

Secretarial Audit

The Board of Directors have appointed M/s R. & A Associates, a firm of practicing Company Secretaries, Hyderabad as the Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial year ended 31st March, 2017 in compliance with the provisions of Section 204 of the Companies Act , 2013.

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

Vigil Mechanism/Whistle Blower Policy :

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

Details of adequacy of internal financial controls

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

Change in the Nature of Business:

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

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

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

Material changes and Commitments:

There were no material changes and commitments in the business operations of the Company from the Financial Year ended 31st March, 2017 to the date of signing of the Director's Report.

Risk Management Policy

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

Mechanism for Board Evaluation:

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

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

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

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

Disclosure pertaining to sexual harassment of women at workplace:

During the Financial year ended 31st March, 2017 the Company has neither received any complaints nor there are any pending complaints pertaining to sexual harassment.

Subsidiary Companies:

Pursuant to Section 129(3) of the Companies Act, 2013, a statement consisting salient features of financial statements of subsidiaries, associates and joint venture companies in Form AOC-1 is attached. The Company has twenty two (22) subsidiary outfits as on 31st March, 2017:

Domestic Subsidiaries:

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

International Subsidiaries:

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

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

The Ministry of Corporate Affairs (MCA) has through its General Circular No. 2/2011 dated 08th February 2011, has granted general exemption to all the Companies from the requirement to attach various documents in respect of Subsidiary Companies, as set out in Section 129 of the Companies Act 2013. Accordingly Balance sheet, Profit and Loss Account and other documents of the Subsidiary Companies are not being attached with the balance sheet of the Company.

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

Personnel:

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

Deposits:

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

Particulars of Loans, Guarantees and Investments:

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

Acknowledgments:

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

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

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

Date: 11th August, 2017
Place: Hyderabad

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

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

ANNEXURES TO DIRECTORS' REPORT

Annexure-I

EXTRACT OF ANNUAL RETURN (MGT-9) as on the financial year ended on 31st March 2017
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

| | | | |
|------|---|---|---|
| i) | CIN | : | L70102AP1991PLC012714 |
| ii) | Registration Date | : | 17.05.1991 |
| iii) | Name of the Company | : | Country Club Hospitality & Holidays Limited |
| iv) | Category/Sub-Category of the Company | : | Company limited by Shares & Indian Company Non Government Company |
| v) | Address | : | Amrutha Castle, 5-9-16, Saifabad, Opp. Secretariat, Hyderabad - 500 063, Telangana, India |
| vi) | Whether listed company Yes / No | : | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | : | Aarthi Consultants Private Limited 1-2-285, Domalguda, Hyderabad, Telangana- 500 029 040-27638111, 27634445 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service of the company | % to total turnover |
|---------|--|---|---------------------|
| 1. | Hospitality Services | 5510 | 100 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

No. of Companies for which information is being filled:

| S. NO | NAME AND ADDRESS OF THE COMPANY | CIN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % of shares held | Applicable Section |
|-------|--|---------------------------|--------------------------------|------------------|--------------------|
| 1 | Aquarian Realtors Private Limited | U70101GA1995P TC001789 | Subsidiary | 100 | 2(87) |
| 2 | Bright Resorts Private Limited | U55102KL1992P TC006863 | Subsidiary | 100 | 2(87) |
| 3. | Bush Betta Holiday Ownership Wildlife Adventure Resort Private Limited | U24222KA1996P TC019942 | Subsidiary | 100 | 2(87) |
| 4. | Chanakyapuri Resorts Private Limited | U55103WB2000P TC092219 | Subsidiary | 100 | 2(87) |
| 5. | Club Arzee Limited | U50101GJ1996P LC029970 | Subsidiary | 100 | 2(87) |
| 6. | Country Vacations International Limited | U85110TG2005P LC047136 | Subsidiary | 100 | 2(87) |
| 7. | International Country Holidays Private Limited | U55101MH1984P TC032585 | Subsidiary | 100 | 2(87) |
| 8. | Jade Resorts Private Limited | U55101TG1996P TC112870 | Step Down Subsidiary | 100 | 2(87) |
| 9. | J J Arts And Entertainments Private Limited | U92199TG2001P TC110570 | Subsidiary | 100 | 2(87) |

| | | | | | |
|----|--|---------------------------|-------------------------|-----|-------|
| 10 | Kolet Resort Club Private Limited | U67120GJ1995PT C026712 | Step Down Subsidiary | 100 | 2(87) |
| 11 | Maruti Waterpark And Entertainments Private Limited | U92199KA2003P TC032367 | Subsidiary | 100 | 2(87) |
| 12 | Swami Vivekanad Training And Education Centre Private Limited | U55101MH1997P TC112380 | Subsidiary | 100 | 2(87) |
| 13 | Swimwel Investment And Trading Private Limited | U55101MH1981P TC025856 | Subsidiary | 100 | 2(87) |
| 14 | Country Club Babylon Resorts Private Limited | N.A. | Subsidiary | 100 | 2(87) |
| 15 | Country Vacations International Limited, Dubai | N.A. | Subsidiary | 100 | 2(87) |
| 16 | Country Vacations International LLC, Dubai* | N.A. | Step Down Subsidiary | 100 | 2(87) |
| 17 | Country Vacations International LLC, Oman* | N.A. | Step Down Subsidiary | 100 | 2(87) |
| 18 | Country Vacations International LLC, Abu Dhabi* | N.A. | Step Down Subsidiary | 100 | 2(87) |
| 19 | Country Vacations International W.L.L, Bahrain* | N.A. | Step Down Subsidiary | 100 | 2(87) |
| 20 | Country Club and Vacations WLL, Qatar* | N.A. | Step Down Subsidiary | 100 | 2(87) |
| 21 | Country Vacations International SDN BHD, Malaysia* | N.A. | Step Down Subsidiary | 100 | 2(87) |
| 22 | Country Vacations International Limited, London* | N.A. | Step Down Subsidiary | 100 | 2(87) |

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

A) Category-wise Share Holding

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

| | | | | | | | | | |
|--|------------------|----------------|------------------|--------------|------------------|----------------|------------------|--------------|---------------|
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | | |
| b) Banks / FI | 379135 | 0 | 379135 | 0.23 | 720283 | 0 | 720283 | 0.44 | +0.21 |
| c) Central Govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | | |
| d) State Govt(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | | |
| e) Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | | |
| f) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | | |
| g) FIs | 847083 | 0 | 847083 | 0.52 | 797083 | 0 | 797083 | 0.49 | (0.03) |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | | |
| i) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | | |
| Sub-total (B)(1):- | 1226218 | 0 | 1226218 | 0.75 | 1517366 | 0 | 1517366 | 0.93 | (0.18) |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | 3273841 | 37500 | 3311341 | 20.3 | 2752418 | 37500 | 2714918 | 1.68 | (0.35) |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 2 lakh | 24619491 | 2334583 | 26954074 | 16.49 | 25363246 | 2314083 | 27677329 | 16.93 | 0.44 |
| ii) Individual shareholders holding share capital in excess of Rs 2 lakh | 9153154 | 0 | 9153154 | 5.6 | 8988483 | 0 | 8988483 | 5.5 | (0.1) |
| c) Others | | | | | | | | | |
| i) NRI's | 725648 | 156500 | 882148 | 0.54 | 788647 | 156500 | 945147 | 0.58 | 0.04 |
| ii) Clearing Members | 1250414 | 0 | 1250414 | 0.76 | 894106 | 0 | 894106 | 0.55 | (0.21) |
| iii) Trusts | 50000 | 0 | 50000 | 0.03 | 50000 | 0 | 50000 | 0.03 | 0.00 |
| Sub-total (B)(2):- | 39072548 | 2528583 | 41601131 | 25.45 | 38801900 | 2508083 | 41309983 | 25.27 | (0.18) |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 40298766 | 2528583 | 42827349 | 26.20 | 40319266 | 2508083 | 42827349 | 26.20 | 0.00 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Grand Total (A + B + C) | 160936152 | 2528583 | 163464735 | 100 | 160856652 | 2508083 | 163464735 | 100 | 0.00 |

B) Shareholding of Promoters:

| Shareholders | Shareholding at the beginning of the year | | | Shareholding at the beginning of the year | | | |
|----------------------|---|----------------------------------|--|---|-----------------------------|---|--|
| S.No. | No. of Shares | % of Total Shares of the Company | % of Share of the encumbered to total Shares | No. of Share | % of Total Share of company | % of Shares Pledged/ Encumbered to total Shares | % Change in Shares holding during the year |
| 1 Y. Rajeev Reddy | 106337986 | 65.05 | 0.00 | 106337986 | 65.05 | 0.00 | 0.00 |
| 2 Y. Manjula Reddy | 6654525 | 4.07 | 0.00 | 6654525 | 4.07 | 0 | 0.00 |
| 3 Y. Siddharth Reddy | 3526750 | 2.16 | 0.00 | 3526750 | 2.16 | 0 | 0.00 |
| 4 Y. Varun Reddy | 2081000 | 1.27 | 0.00 | 2081000 | 1.27 | 0 | 0.00 |
| 5 Y. Nikhila Reddy | 2037125 | 1.25 | 0.00 | 2037125 | 1.25 | 0 | 0.00 |
| Total | 120637386 | 73.80 | 0.00 | 120637386 | 73.80 | 0 | 0.00 |

C. Change in Promoters' Shareholding:

| S.No. | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--|---|----------------------------------|---|----------------------------------|
| | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1. At the beginning of the year | 120637386 | 73.80 | 120637386 | 73.80 |
| 2. Date wise Increase / Decrease in Promoters Share holding during the year specifying the | NIL | NIL | NIL | NIL |

| | | | | | | |
|--|--------|------|------------|---------|--------|------|
| | | | 12/08/2016 | (5800) | 277850 | |
| | | | 19/08/2016 | 15425 | 293005 | |
| | | | 26/08/2016 | (16000) | 277005 | |
| | | | 02/09/2016 | 8424 | 285429 | |
| | | | 09/09/2016 | (3000) | 282429 | |
| | | | 16/09/2016 | 42776 | 325205 | |
| | | | 23/09/2016 | (1976) | 323229 | |
| | | | 30/09/2016 | 11347 | 334576 | |
| | | | 07/10/2016 | 21250 | 355826 | |
| | | | 14/10/2016 | 3550 | 359376 | |
| | | | 21/10/2016 | (15374) | 344002 | |
| | | | 28/10/2016 | (43715) | 300287 | |
| | | | 04/11/2016 | (250) | 300037 | |
| | | | 11/11/2016 | 1583 | 301620 | |
| | | | 18/11/2016 | 10550 | 312170 | |
| | | | 25/11/2016 | (9375) | 302795 | |
| | | | 02/12/2016 | (3876) | 298919 | |
| | | | 09/12/2016 | 2750 | 301669 | |
| | | | 16/12/2016 | (2979) | 298690 | |
| | | | 23/12/2016 | 711 | 299401 | |
| | | | 31/12/2016 | 1999 | 301400 | |
| | | | 06/01/2017 | 109 | 301509 | |
| | | | 13/01/2017 | (15284) | 286225 | |
| | | | 20/01/2017 | (4000) | 282225 | |
| | | | 27/01/2017 | 20222 | 302447 | |
| | | | 03/02/2017 | 3515 | 305962 | |
| | | | 10/02/2017 | 600 | 306562 | |
| | | | 17/02/2017 | 948 | 307510 | |
| | | | 24/02/2017 | 2500 | 310010 | |
| | | | 03/03/2017 | 24628 | 334638 | |
| | | | 10/03/2017 | 2728 | 337366 | |
| | | | 17/03/2017 | 11197 | 348563 | |
| | | | 24/03/2017 | (27475) | 321088 | 0.20 |
| Shareholding at the end of the year | | | | | 320888 | 0.20 |
| 8. DINESH NARESH AGARWAL | 137375 | 0.08 | 25/11/2016 | 173375 | 310750 | 0.19 |
| Shareholding at the end of the year | | | | | 310750 | 0.19 |
| 9. SHYAMSUNDER GUPTA | 309339 | 0.19 | NIL | NIL | 309339 | 0.19 |
| Shareholding at the end of the year | | | | | 309339 | 0.19 |
| 10. Moneyplex Securities Private Limited | 315342 | 0.19 | 01/04/2016 | (80) | 315263 | |
| | | | 08/04/2016 | (240) | 315023 | |
| | | | 15/04/2016 | (1000) | 314023 | |
| | | | 10/06/2016 | (4000) | 310023 | |
| | | | 22/07/2016 | (150) | 309873 | |
| | | | 30/09/2016 | (1958) | 307915 | |
| | | | 21/10/2016 | (5849) | 302066 | |
| | | | 20/01/2017 | (2000) | 300065 | 0.18 |
| Shareholding at the end of the year | | | | | 300065 | 0.18 |

E. Shareholding of Directors and Key Managerial Personnel:

| S.No. | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----------------------------------|---|----------------------------------|---|----------------------------------|
| | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1. Shri Y. Rajeev Reddy | 106337986 | 65.05 | 106337986 | 65.05 |
| 2. Shri Y. Siddharth Reddy | 3526750 | 2.16 | 3526750 | 2.16 |
| 3. Shri Y. Varun Reddy | 2081000 | 1.27 | 2081000 | 1.27 |
| 4. Shri D. Krishna Kumar Raju | 210215 | 0.13 | 210215 | 0.13 |
| 5. Smt Y. Manjula Reddy | 6654525 | 4.07 | 6654525 | 4.07 |
| 6. Shri D. Venkata Ratna Kishore | 0 | 0.00 | 0 | 0.00 |

| | | | | |
|---|---|------|---|------|
| 7. Shri K. Satyanarayana Raju | 0 | 0.00 | 0 | 0.00 |
| 8. Shri Indukuri Venkata Subba Raju | 0 | 0.00 | 0 | 0.00 |
| 9. Shri Y. Subba Rao | 0 | 0.00 | 0 | 0.00 |
| 10. Shri Venkateswara Dontireddy Reddy | 0 | 0.00 | 0 | 0.00 |
| 11. Smt V. Sreelatha (Company Secretary) | 0 | 0.00 | 0 | 0.00 |
| 12. Shri K. Phaneendra Rao (CFO) | 0 | 0.00 | 0 | 0.00 |

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|-------------------------------------|---------------------|------------------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 279,13,69,115 | 40,71,26,489 | 76,71,498 | 320,61,67,102 |
| ii) Interest due but not paid | 2,94,76,816 | | | 2,94,76,816 |
| iii) Interest accrued but not due | 2,66,66,593 | | | 2,66,66,593 |
| Total (i + ii + iii) | 284,75,12,524 | 40,71,26,489 | 76,71,498 | 326,23,10,511 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | | 2,12,97,922 | 3,10,244 | 2,16,00,166 |
| • Reduction | (3,60,13,599) | | | (3,60,13,599) |
| Net Change | (3,60,13,599) | 2,12,97,922 | 3,10,244 | (1,44,05,433) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 277,96,45,562 | 42,84,24,411 | 79,81,742 | 322,55,71,078 |
| ii) Interest due but not paid | 1,12,56,401 | | | |
| iii) Interest accrued but not due | 2,05,96,962 | | | |
| Total (i + ii + iii) | 281,14,98,925 | 42,84,24,411 | 79,81,742 | 324,79,05,078 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

B. Remuneration to other directors:

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

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

| S.No. | Particulars of Remuneration | Key Managerial Personnel | | |
|-------|---|--------------------------|------------------|------------------|
| | | Company Secretary | CFO | Total |
| 1. | Gross salary | 3,00,000 | 24,00,000 | 27,00,000 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | | |
| 2. | Stock Option | 0 | 0 | 0 |
| 3. | Sweat Equity | 0 | 0 | 0 |
| 4. | Commission | | | |
| | - as % of profit | | | |
| | - others, specify... | 0 | 0 | 0 |
| 5. | Others, please specify | 0 | 0 | 0 |
| | Total | 3,00,000 | 24,00,000 | 27,00,000 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Country Club Hospitality and Holidays Limited** (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (**Not applicable to the Company during the Audit Period**)
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (**Not applicable to the Company during the Audit Period**)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014; (**Not applicable to the Company during the Audit Period**)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable to the Company during the Audit Period)**;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**.

Relying on the representation given by the Company and its officers with regard to the Other laws applicable specifically to the Company and its Compliance and the limited review done by us, we opine that the Company has generally complied with the following laws to the extent specifically applicable the company :

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreement entered into by the Company with the Stock Exchanges.

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

1. As required under the Foreign Exchange Management Act (Transfer or Issue of any Foreign Security) Regulations, 2004 (as amended from time to time) and the relevant circulars issued thereunder, the Annual Performance Report in respect of its investment in the Wholly-owned Subsidiary(s) has been filed after the due date.
2. As per the requirement under Foreign Exchange Management (Transfer or Issue of any Security to the Person Resident Outside India) Regulations, 2000 (as amended from time to time) and the relevant circulars issued thereunder, the Annual Return on Foreign Liabilities and Assets for the Financial Year 2015-16 is yet to be filed with the Reserve Bank of India.
3. There was a delay in submitting the financial results to BSE limited (BSE) and National Stock Exchange of India Ltd (NSE) for the quarter and financial year ended 31st March, 2016. The Company has submitted the financial results on 31st May, 2016 as against the due date of 30th May, 2016 prescribed under regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
4. The Investor Grievance Report for the Quarter ended 31st March, 2016 was filed with BSE within the stipulated time. However the Company has not filed the same with National Stock Exchange of India Ltd as required under regulation 13 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

We further report that;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

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

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

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

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

C.S.R. Ramakrishna Gupta

Senior Partner

FCS No.: 5523

C P No.: 6696

Office No. T 202, Technopolis,

1-10-74/B, Above Ratnadeep Super Market,

Chikoti Gardens, Begumpet, Hyderabad - 500 016.

Date : 11th August, 2017

Place: Hyderabad

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

Annexure-III

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

| Name of the Subsidiary Company | Issued and Subscribed Share Capital | Reserves | Total Assets | Total Liabilities | Investments | Turnover /Total Income | Profit before taxation/(Loss) | Provision for taxation | Profit after taxation/loss | Proposed dividend | % of share-holding |
|--|-------------------------------------|----------------|---------------|-------------------|-------------|------------------------|-------------------------------|------------------------|----------------------------|-------------------|--------------------|
| Aquarian Realtors Pvt. Ltd. | 1,00,000 | (9,0754,023) | 51,92,87,547 | 51,92,87,547 | Nil | 5,73,27,820 | 24,35,017 | 36,08,775 | (11,73,758) | Nil | 100% |
| International Country Holidays Pvt. Ltd. | 10,00,000 | (38,29,599) | 3,77,39,388 | 3,77,39,388 | Nil | 300,000 | (7,25,784) | Nil | (7,25,784) | Nil | 100% |
| Bush Betta Holiday Ownership Wildlife Adventure Resort Pvt. Ltd. | 1,05,00,200 | (4,35,73,162) | 5,38,708 | 5,38,708 | Nil | Nil | (11,500) | Nil | (11,500) | Nil | 100% |
| J.J. Arts and Entertainments Pvt. Ltd. | 15,00,000 | (1,88,26,072) | 3,17,67,514 | 3,17,67,514 | Nil | 35,54,060 | (6,08,679) | 1,14,890 | (7,23,569) | Nil | 100% |
| Chanakyapuri Resorts Pvt. Ltd. | 70,00,000 | (3,39,31,627) | 2,58,87,303 | 2,58,87,303 | Nil | 33,37,799 | (49,15,098) | Nil | (49,15,098) | Nil | 100% |
| Bright Resorts Pvt. Ltd. | 3,18,45,000 | (8,38,03,637) | 3,52,56,172 | 3,52,56,172 | Nil | 1,80,92,905 | (34,93,298) | Nil | (34,93,298) | Nil | 100% |
| Maruti Waterpark & Entertainments Pvt. Ltd. | 23,24,000 | 6,06,102 | 30,48,474 | 30,48,474 | Nil | Nil | (23,000) | Nil | (23,000) | Nil | 100% |
| Country Vacations International Ltd. - India | 5,00,000 | (1,47,098) | 40,70,114 | 40,70,114 | Nil | Nil | (11,500) | Nil | (11,500) | Nil | 100% |
| Swimwel Investment & Trading Pvt. Ltd. | 1,00,000 | (8,98,14,512) | 63,82,631 | 63,82,631 | Nil | 2,01,19,769 | (59,69,682) | Nil | (59,69,682) | Nil | 100% |
| Swami Vivekanand Training & Education Centre Pvt. Ltd. | 49,90,800 | (10,19,40,140) | 7,51,39,855 | 7,51,39,855 | Nil | 15,000 | (23,82,203) | 12,53,244 | (36,35,447) | Nil | 100% |
| Club Arzee Ltd. | 5,72,66,000 | 64,43,648 | 8,39,50,703 | 8,39,50,703 | Nil | 2,03,08,223 | (14,22,947) | 1,22,396 | (15,45,343) | Nil | 100% |
| Country Club Babylon Resorts Pvt. Ltd. Sri Lanka '© | 2,57,92,235 | (3,91,15,039) | 3,03,77,037 | 3,03,77,037 | Nil | 3,64,685 | (39,49,769) | Nil | (39,49,769) | Nil | 100% |
| Country Vacations International Ltd. - Dubai '® | 199,61,74,211 | 465,40,71,469 | 841,35,42,778 | 841,35,42,778 | Nil | 184,35,48,141 | 22,41,10,656 | Nil | 22,41,10,656 | Nil | 100% |

Note: Reporting period for all the subsidiary concerned, is same as the holding company's reporting period i.e.01st April, 2016 to 31st March'2017:

'© Conversion rate of Sri Lanka Re.1/- (LKR) equal to Indian Rs. 0.42113 on 31-03-2017.

® Conversion rate of Dubai AED.1/- (Dhiram) equal to Indian Rs. 17.6243 on 31-03-2017.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The hospitality industry is much broader than most other industries. The majority of business niches are composed of only a handful of different businesses, but this industry applies to nearly any company that is focused on customer satisfaction and meeting leisurely needs rather than basic ones. While this industry is very broad, there are some defining aspects that are important to understand.

One of the most defining aspects of this industry is that it focuses on customer satisfaction. This is because these businesses are based on providing luxury services.

Country Club (The Company) was established way back in the year 1989 with a motive to extend leisure hospitality membership services in India. Country Club believes in providing specialty services which include member exclusive clubbing hubs, splendid holiday destinations, trendy fitness centers and star-studded entertainment events.

Dubbed as powerhouse of entertainment, Country Club celebrates several global festivals by inviting leading movie stars to perform exclusively for its members. The Organization organizes various family amusement events including Live Musical Nights, Food Festivals, Magic shows and Tambola.

International Tourism:

Hospitality industry is evolving rapidly and there are lot of changes going to be experienced in coming years. 2017 is considered to be as boom year for Hospitality Industry as people around the world are going to view some drastic changes in the current trends.

Travel & Tourism is a key sector for economic development and job creation throughout the world. In 2016, Travel & Tourism directly contributed US\$2.3 trillion and 109 million jobs worldwide. Taking its wider indirect and induced impacts into account, the sector contributed US\$7.6 trillion to the global economy and supported 292 million jobs in 2016. This was equal to 10.2% of the world's GDP, and approximately 1 in 10 of all jobs.

In 2017, the total contribution of Travel & Tourism to the world's economy is forecast to grow by 3.5%. Continued solid growth at a global level is expected across the main economic indicators of GDP contribution, job creation, investment and visitor exports, with visitor exports making an especially strong contribution.

Indian Tourism:

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country.

As per Ministry of Tourism, foreign tourist arrivals (FTAs) in India increased 19.5 per cent year-on-year to 630,000 in May 2017. FTAs on e-tourist visa increased 55.3 per cent year-on-year to 68,000 in May 2017.

India's foreign exchange earnings (FEEs) through tourism increased by 32 per cent year-on-year to reach US\$ 2.278 billion in April 2017, as per data from Ministry of Tourism, Government of India.

India is expected to move up five spots to be ranked among the top five business travel market globally by 2030, as business travel spending in the country is expected to treble until 2030 from US\$ 30 billion in 2015.

International hotel chains will likely increase their expansion and investment plans in India, and are expected to account for 50 per cent share in the Indian hospitality industry by 2022, from the current 44 per cent.

Government Initiatives

The Indian government has realised the country's potential in the tourism industry and has taken several steps to make India a global tourism hub.

In the Union Budget 2017-18, the Government of India announced some initiatives to give a boost to the tourism and hospitality sector such as setting up of five special tourism zones, special pilgrimage or tourism trains and worldwide launch of Incredible India campaign among others.

Some of the major initiatives taken by the Government of India to give a boost to the tourism and hospitality sector of India are as follows:

- The Ministry of Environment, Forest and Climate Change, Government of India, is planning to revise India's coastal regulation norms aimed at opening up the 7,500 km long coastline for developmental activities like tourism and real estate.
- The Central Government has taken a number of steps for smooth transitioning to cashless mode of payment to ensure that no hardship is faced by the tourists and the tourism industry remains unaffected from government's demonetisation move.
- Maharashtra Tourism Development Corporation (MTDC) has come up with a unique tourism experience of visiting the open cast coal mine of Gondagaon and underground coal mine of Saoner, which are near Nagpur and part of Western Coalfields Limited.
- A Tripartite Memorandum of Understanding (MoU) was signed among the Indian Ministry of Tourism, National Projects Construction Corporation (NPCC), National Buildings Construction Corporation (NBCC) and Government of Jammu and Kashmir for the implementation of tourism projects in Jammu and Kashmir.

Outlook

The Company's strategy to strengthen its brand proposition and generate more pull-based leads has been successful at a time when the industry faced considerable headwinds in the form of low consumer disposition towards high-value discretionary spends. The Company believes that penetration of vacation ownership in India is low and there is considerable room for growth. Consistent improvements in member satisfaction, which are at an all-time high, are testimony to its ability to deliver unique and immersive holiday experiences at scale. At the same time, the excellence in member servicing achieved through a combination of technology-based solutions and scalable processes has improved its competitive positioning in the industry.

Opportunities & Threats:

Opportunities

- The trend of higher demands on quality could add value to the sector.
- Concerns for climate and health are also trends that potentially add value to products and services.
- Increasing globalization, leading to more international travelers and tourists, especially from emerging economies.
- Hotels also have an opportunity for year-round customers thanks to their business structure. The peak season often brings about domestic and international tourism, but the off-season brings about local tourists who wait until national or international demands have been greatly reduced.
- With the right business plan, a school holiday can be just as profitable as a warm June afternoon.

Threats

- Changing economic times can also affect the hotel industry.
- Local conditions also affect the hotel industry. In places where there is political unrest, tourism is going to be down dramatically.
- The lack of sufficiently skilled personnel jeopardises the quality of the sector.
- If the climate threat grows, long distance travelling might decrease and thereby hurt the sector.
- An ageing population makes it even harder to recruit labour.

Risks and Concerns:

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

Operational risks-

Our lodging operations are subject to international, national, and regional conditions. Because we conduct our business on a national and international platform, our activities are susceptible to changes in the performance of regional and global economies.

Operational risks in Hospitality industry constantly face a pressure to meet the customer expectations in terms of quality of service and maintaining a balance between the inventory of resorts and growth of customers. The Company is trying to meet the expectations of its customers and at the same time maintain a balance between demand and supply.

As there are multiple choices of locations and seasons, there could be occasions where the first choice of holiday requested by the customers may not be available, which may result in dissatisfaction. Another operational risk is in the ability to consistently attract, retain and motivate managerial talent and other skilled personnel, especially in a high growth industry with unique characteristics.

Financial risks-

The Company's business involves significant investments in building resorts for its operations. These expose

it to risks in terms of timely and adequate availability of funds at competitive rates to finance its growth. The Company is exposed to potential non-payment or delayed payment of membership instalments and/or the annual subscription fee by members resulting in higher outstanding receivables. The Company undertakes comprehensive assessment of the profile of its customers and carefully monitors its exposure to credit risk. Further, several improvements in control and monitoring mechanisms have been implemented to reduce credit risks and aid the management in this process.

Economic risks-

The hotel industry may be affected by economic conditions, oversupply, travel patterns, and other conditions beyond the control which may adversely affect our business and results of operations. The hotel industry may be adversely affected by changes in national or local economic conditions and other local market conditions. Other general risks that may affect our hotel business are changes in, extreme weather conditions, changes in governmental regulations which influence or determine wages, workers' union activities, increase in land acquisition prices or construction costs, changes in interest rates, the availability of financing for operating or capital needs, and changes in real estate tax rates and other current operating expenses have an adverse effect on our business, results of operations, ability to develop new projects and the attainment of our strategic goals.

These can impact the Company's ability to generate revenue and affect its growth prospects. The Company recognises these risks and has measures in place to mitigate the impact of adverse economic situation.

Segment-wise performance:

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

Internal control systems and their adequacy

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

Financial performance with respect to operational performance:

The Company achieved a consolidated turnover of Rs. 456.97 Crores (533.08 cr) and PAT of Rs. 4.88 Cr. (Rs. 27.80 cr.). Sale of services was Rs. 456.97 Crores (Rs. 533.08 cr). Income from Sale of Membership, Vacation Ownership & Guest Accommodation & Training/Coaching in recreational activities relating to art, Culture & Sports, Fitness was Rs. 371.49 (448.86). Income from Food & Beverages, Banquets was Rs. 27.45 cr (25.42 cr). Income from Annual Subscription Fee increased to Rs. 53.97 cr. (Rs. 46.36 cr.).

Human resource developments:

Given the highly specialised nature of the Company's business and the large number of locations where it operates, attracting and nurturing the right talent is at the core of Company's strategy in order to ensure that the company achieves success as well as growth. During 2016-17, significant improvements were made in the recruitment process in the form of standardised pre-employment evaluation as well as interview and assessment processes across locations based on the job profile. Towards the end, it also institutionalised internal job postings to provide employees opportunities to grow with the organisation. During the year, focus was on building capabilities and skills through targeted learning and development (L&D) interventions.

Annexure "A" to Directors' Report - "Corporate Governance"

10. Company's Philosophy:

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

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

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

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

11. Board of Directors:

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

a) Composition:

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

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

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

(i) No. of Board Meeting held during the Financial Year ended on 31st March, 2017, for which the details are as follows:

| No. of Quarters | Quarter I | Quarter II | Quarter III | Quarter IV |
|-------------------------|----------------------------|----------------------------------|---------------------------------|---------------------------------|
| Dates of Board Meetings | 30 th May, 2016 | 13 th August, 2016 | 3 rd November, 2016 | 13 th February, 2017 |
| | 31 st May, 2016 | 14 th September, 2016 | 14 th December, 2016 | 13 th March, 2017 |

The last Annual General Meeting was held on 30th September 2016.

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

| Name of the Director | No. of Other Director--ships ¹ | No. of Memberships / Chairmanships of Board Committees in other Companies ² | Attendance No. of Board Meetings | Last AGM |
|-----------------------------------|---|--|----------------------------------|----------|
| Sri Y. Rajeev Reddy | 12 | NIL | 6 | Yes |
| Sri Y. Siddharth Reddy | 12 | NIL | 6 | Yes |
| Sri Y. Varun Reddy | 12 | NIL | 7 | Yes |
| Sri D. Krishna Kumar Raju | 16 | 1 | 7 | Yes |
| Smt. Y. Manjula Reddy | 13 | NIL | 5 | No |
| Sri Venkateswara Dontireddy Reddy | NIL | NIL | 5 | No |
| Sri D. Venkata Ratna Kishore | NIL | NIL | 8 | No |
| Sri K. Satyanarayana Raju | 1 | NIL | 7 | No |
| Sri Indukuri Subba Raju | NIL | NIL | 4 | No |
| Sri Y. Subba Rao | NIL | NIL | 8 | Yes |

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

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

c) Disclosure of relationships between inter-se:

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

d) Details of familiarization programmes imparted to independent Directors : www.countryclubindia.net**e) Information available to the Board of Directors:**

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

- Annual operating plans and budgets, capital budgets and updates.
- Quarterly results of our operating divisions or business segments.
- Minutes of meetings of audit, nomination & remuneration, risk management and investor grievance, corporate social responsibility committees as well as abstracts of circular resolutions passed.
- The Board minutes of the subsidiary companies.

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

f) Code of Conduct:

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

12. Audit Committee:

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

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

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

a) Composition of the Audit Committee:

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

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

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

b) Attendance of Members at the Audit Committee Meetings:

During the year, Five Audit Committee Meetings were held for approval of unaudited / audited financial results on 30th May 2016; 13th August 2016; 14th September 2016, 14th December 2016 and 13th February 2017. Following are the attendance of each member in the Audit Committee Meetings:

| Name of the Director | No. of Meetings | |
|---------------------------|-----------------|----------|
| | Held | Attended |
| Sri Y. Subba Rao | 5 | 5 |
| Sri D. V. Ratna Kishore | 5 | 5 |
| Sri D. Krishna Kumar Raju | 5 | 4 |

c) Powers of the Audit Committee:

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

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

d) Role of Audit Committee:

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

e) Review of information by Audit Committee:

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

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

13. Nomination and Remuneration Committee:

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

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

b) During the year, Two Nomination and Remuneration Committee meetings were held on 13th August, 2016 and 13th March, 2017. The attendance of each member of the Committee is given below:

| Name of the Director | No. of Meetings | |
|---------------------------|-----------------|----------|
| | Held | Attended |
| Sri K. Satyanarayana Raju | 2 | 2 |
| Sri Y. Subba Rao | 2 | 2 |
| Sri D. V. Ratna Kishore | 2 | 2 |

Role of Remuneration Committee:

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

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

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

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

Details of remuneration to the Directors for the year

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

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

Performance evaluation criteria:

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

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

Notes:

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

14. Stakeholders Relationship Committee:**1) Brief Description of the terms of reference :**

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

The Stakeholders Relationship Committee was constituted of the following Directors:

Name of the Member**Category**

- | | | |
|---|---|------------------------------|
| 1. Shri Y. Subba Rao, Chairman | } | Independent Directors |
| 2. Shri Indukuri Venkata Subba Raju, Member | | |
| 3. Shri D. V. Ratna Kishore, Member | | |

The total number of complaints received during the year 2016 - 2017 was 01 and the same was resolved. No complaints were outstanding as on 31st March, 2017.

15. Corporate Social Responsibility

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

Name of the Member**Category**

- | | | |
|--|---|------------------------------|
| 1. Sri Venkateswara Dontireddy Reddy, Chairman | } | Independent Directors |
| 2. Sri Indukuri Venkata Subba Raju, Member | | |
| 3. Sri Y. Siddharth Reddy, Member | | |

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

16. General Body Meetings:**a) Location and time of the last three AGMs (Annual General Meetings):**

| AGM | Year | Venue | Date | Time |
|------------------|---------|---|------------|-----------|
| 25 th | 2015-16 | Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp.Gymkhana Grounds, Secunderabad - 500 003 | 30-09-2016 | 11.00 A.M |
| 24 th | 2014-15 | Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp.Gymkhana Grounds, Secunderabad - 500 003 | 30-09-2015 | 11.00 A.M |
| 23 rd | 2013-14 | Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp.Gymkhana Grounds, Secunderabad - 500 003 | 30-09-2014 | 11.00 A.M |

b) Special Resolutions passed in the previous three AGMs

| Date of the AGM | No. of Special resolutions passed | Details of the Special Resolutions |
|----------------------------|-----------------------------------|---|
| 30 th Sep, 2016 | 03 | <ul style="list-style-type: none"> To re-appoint Sri Y. Varun Reddy (DIN: 01905757) as Vice-Chairman, JMD & COO Conversion of loan availed from Canara Bank into equity share capital Conversion of Loan Availed from Central Bank of India Into Equity Share Capital |
| 30 th Sep, 2015 | 02 | <ul style="list-style-type: none"> To re-appoint Sri Y. Siddharth Reddy (DIN: 00815456) as Vice-Chairman, JMD & CEO To re-appoint Sri Y. Rajeev Reddy (DIN: 00115430) as Chairman & Managing Director: |
| 30 th Sep, 2014 | 03 | <ul style="list-style-type: none"> Adoption of new Articles of Association inconformity with Companies Act, 2013 Regularization of the Contract entered with M/s. Country Condo's Limited Approval for Change of Name of the Company from "Country Club (India) Limited" to "Country Club Hospitality & Holidays Limited". |

C) Resolutions passed through Postal Ballot during the financial year 2016-17:

| Date of the passing Resolution | No. of Special resolutions passed | Details of the Special Resolutions |
|--------------------------------|-----------------------------------|---|
| 28 th Dec, 2016 | 01 | <ul style="list-style-type: none"> Approval for sale/transfer of the Non-Core Assets of the Company |
| 16 th March, 2017 | 02 | <ul style="list-style-type: none"> Further issue of Equity Shares on Preferential basis Issue of Share Warrants on Preferential basis |

17. Disclosures:

- Disclosure on materially significant related-party transactions i.e. transactions of the Company of material nature with its Promoters, Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. The transaction with the related parties is mentioned under Notes to Accounts on Standalone and Consolidated Accounts in the Annual Report of the Company. None of the transaction with the related parties is in conflict with the interest of the Company.
- 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**
- Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this clause:

Your Company has complied with all the mandatory requirements of the Regulation 27 of SEBI Listing Regulations. The details of these compliance's have been given in the relevant sections of this report.

Notes on Directors' appointment/re-appointment

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

18. Means of communication:

- Financial Results: The Company's quarterly, half-yearly and annual results are published in newspapers as per SEBI Listing Regulations. The Annual Report and other communication will be sent to the Shareholders through

Electronic Mails to those shareholders whose Email Id's are registered with their Depository Participant / RTA / Company or through post/courier.

- b) The financial and other results were published in the following newspapers at Hyderabad:

1. *Business Standard / Financial Express*
2. *Andhra Prabha / Nava Telangana*

- c) The results are also displayed on the Company's website: **www.countryclubindia.net**

- d) The website also displays the official news releases.

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

19. Management discussion and analysis:

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

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

The Company's equity shares are currently listed on BSE Limited and National Stock Exchange of India Limited (NSE) and the payment for Annual Listing Fees for the Financial Year 2016-17 has not paid.

21. General shareholder information:

- a) Details of 26th Annual General Meeting

| | |
|--------------|---|
| Date | : 28 th September, 2017 |
| Time | : 12.00 Noon |
| Venue | : Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad-500003 |

- b) **Date of book closure** : 23rd September, 2017 to 28th September, 2017 (both days inclusive)

- c) **Dividend payment date(s)** : The Board of Directors do not recommend any dividend for the financial year 2016-17.

- d) **Listing on Stock Exchanges** : Presently, the Company's equity shares are listed at:
- BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
 - National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra - Kurla Complex, Bandra (East), Mumbai - 400 051

e) Stock code/ ISIN

- I) Stock Code

BSE Scrip Code : 526550

BSE Scrip ID : CCHHL

NSE Symbol : CCHHL

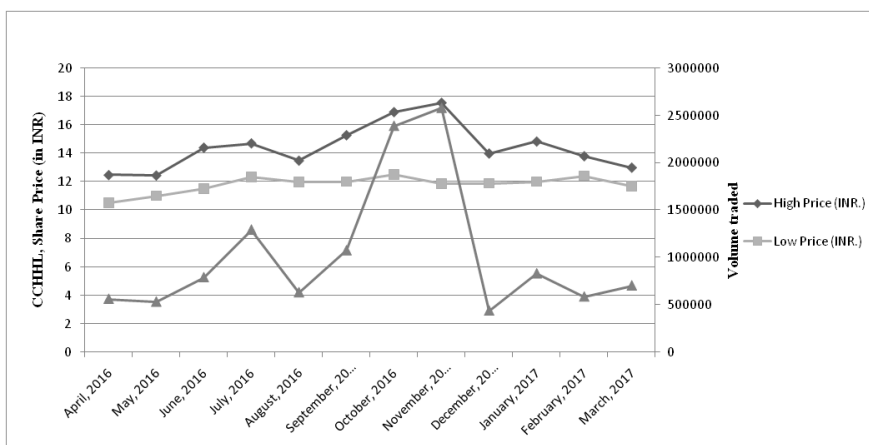
- II) Demat ISIN Number

CDSL & NSDL (Equity Shares) : INE652 F01027

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

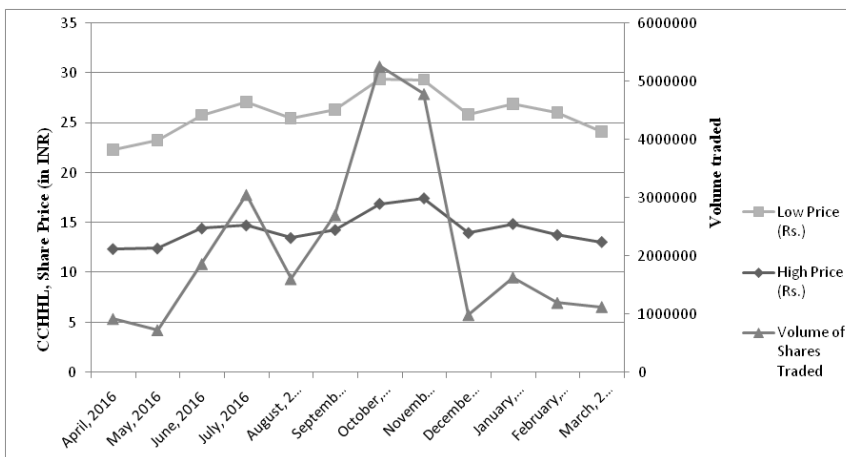
- Company's shares are being traded on BSE the high and low prices during each month are given below:

| Month | Bombay Stock Exchange Limited | | |
|-----------------|-------------------------------|-----------------|-------------------------|
| | High Price (Rs.) | Low Price (Rs.) | Volume of Shares Traded |
| April, 2016 | 12.48 | 10.50 | 561964 |
| May, 2016 | 12.45 | 11.00 | 532192 |
| June, 2016 | 14.40 | 11.50 | 789940 |
| July, 2016 | 14.70 | 12.31 | 1292613 |
| August, 2016 | 13.49 | 11.95 | 631467 |
| September, 2016 | 15.27 | 12.00 | 1074164 |
| October, 2016 | 16.89 | 12.50 | 2388453 |
| November, 2016 | 17.54 | 11.85 | 2578256 |
| December, 2016 | 13.99 | 11.88 | 438123 |
| January, 2017 | 14.83 | 12.00 | 830280 |
| February, 2017 | 13.80 | 12.40 | 585617 |
| March, 2017 | 13.00 | 11.68 | 703289 |



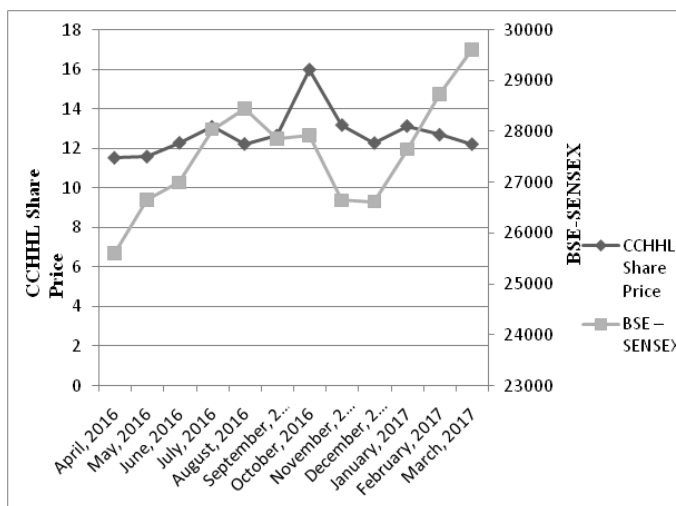
- Company's shares are being traded on NSE the high and low prices during each month for the year 2016-17 are given below:

| | National Stock Exchange of India Limited | | |
|-----------------|--|-----------------|-------------------------|
| | High Price (Rs.) | Low Price (Rs.) | Volume of Shares Traded |
| April, 2016 | 12.4 | 9.9 | 916448 |
| May, 2016 | 12.45 | 10.80 | 722426 |
| June, 2016 | 14.45 | 11.35 | 1861086 |
| July, 2016 | 14.75 | 12.35 | 3051812 |
| August, 2016 | 13.50 | 11.95 | 1601799 |
| September, 2016 | 14.30 | 12.00 | 2701386 |
| October, 2016 | 16.90 | 12.50 | 5260578 |
| November, 2016 | 17.45 | 11.90 | 4787338 |
| December, 2016 | 14.00 | 11.85 | 984734 |
| January, 2017 | 14.90 | 12.00 | 1630287 |
| February, 2017 | 13.80 | 12.25 | 1192763 |
| March, 2017 | 13.10 | 11.05 | 1121660 |



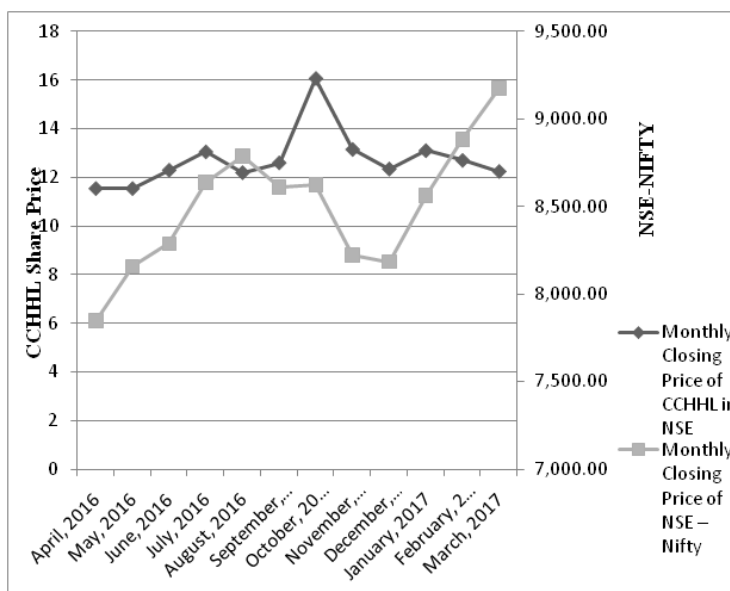
h) Stock performance in comparison to broad based indices such as BSE SENSEX: (in INR')

| Month | Monthly Closing Price of CCHHL in BSE | Monthly Closing Price of BSE - SENSEX |
|-----------------|---------------------------------------|---------------------------------------|
| April, 2016 | 11.53 | 25606.62 |
| May, 2016 | 11.59 | 26667.96 |
| June, 2016 | 12.29 | 26999.72 |
| July, 2016 | 13.10 | 28051.86 |
| August, 2016 | 12.23 | 28452.17 |
| September, 2016 | 12.66 | 27865.96 |
| October, 2016 | 16.00 | 27930.21 |
| November, 2016 | 13.19 | 26652.81 |
| December, 2016 | 12.28 | 26626.46 |
| January, 2017 | 13.14 | 27655.96 |
| February, 2017 | 12.70 | 28743.32 |
| March, 2017 | 12.22 | 29620.5 |



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

| Month | Monthly Closing Price of CCHHL in NSE | Monthly Closing Price of NSE - NIFTY |
|-----------------|---------------------------------------|--------------------------------------|
| April, 2016 | 11.55 | 7,849.80 |
| May, 2016 | 11.55 | 8,160.10 |
| June, 2016 | 12.30 | 8,287.75 |
| July, 2016 | 13.05 | 8,638.50 |
| August, 2016 | 12.20 | 8,786.20 |
| September, 2016 | 12.60 | 8,611.15 |
| October, 2016 | 16.05 | 8,625.70 |
| November, 2016 | 13.15 | 8,224.50 |
| December, 2016 | 12.35 | 8,185.80 |
| January, 2017 | 13.10 | 8,561.30 |
| February, 2017 | 12.70 | 8,879.60 |
| March, 2017 | 12.25 | 9,173.75 |



i) Registrar and Transfer Agent

M/s. Aarathi Consultants Private Limited
 1-2-285, Domalguda, Hyderabad - 500 029
 Ph: 040 2763 8111; 040 2763 4445
 Fax: 040 2763 2184

Website: www.aarthiconsultants.com

Email: info@arthiconsultants.com

j) Share Transfer system is maintained by:

M/s. Aarathi Consultants Private Limited
 1-2-285, Domalguda, Hyderabad - 500 029
 Ph: 040 2763 8111; 040 2763 4445
 Fax: 040 2763 2184

Website: www.aarthiconsultants.com

Email: info@arthiconsultants.com

k) Share and Transfer System:

The Board of Directors has delegated the power of approving transfer of shares to the Managing Director of the Company and the details regarding the transfers are placed before the Board of Directors at the subsequent meeting for their approval. The Company's Registers and Share Transfer Agent is Aarathi Consultants Private Limited, Hyderabad, who look after shares transfers and other related works.

The Company ensures that all transfers are affected within a prescribed period from the date of their lodgement with the Company.

In terms of SEBI circular No. D&CC/FITTC/CR-16 dated 31-12-2002, Secretarial Audit is conducted on a quarterly basis by a practicing Company secretary for the purpose of, inter alia, reconciliation of the total submitted equity share capital with the depositories and in the physical form with the total issued/paid up equity capital of the Company. Certificates are placed before the Board of Directors and are also forwarded to Stock Exchange, where the shares of the Company are listed.

m) Distribution of Shareholdings as on 31st March, 2017:

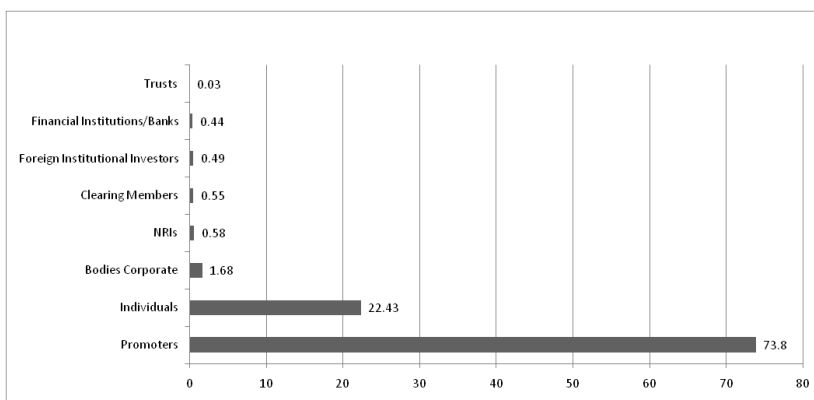
| No. of Shares Slab | No. of Shareholders | | Share Amount | | |
|--------------------|---------------------|-------|--------------|-----------|-------|
| | Total | % | Total | Total | % |
| 1 - 5000 | 16536 | 88.49 | 9430080 | 18860160 | 5.77 |
| 5001 - 10000 | 1109 | 5.93 | 4136672 | 8273344 | 2.53 |
| 10001 - 20000 | 523 | 2.8 | 4000992 | 8001984 | 2.45 |
| 20001 - 30000 | 157 | 0.84 | 1949437 | 3898874 | 1.19 |
| 30001 - 40000 | 77 | 0.41 | 1415788 | 2831576 | 0.87 |
| 40001 - 50000 | 54 | 0.29 | 1224469 | 2448938 | 0.75 |
| 50001 - 100000 | 120 | 0.64 | 4375952 | 8751904 | 2.68 |
| 100001 & Above | 110 | 0.59 | 136931345 | 273862690 | 83.77 |
| Total: | 18686 | 100 | 163464735 | 326929470 | 100 |

n) Shareholding Pattern:

| Category of Shareholder | As on 31st March, 2017 | | | As on 31st March, 2016 | | |
|---------------------------------|------------------------|---------------------|-------|------------------------|---------------------|-------|
| | No. of Share holders | Total No. of Shares | % | No. of Share holders | Total No. of Shares | % |
| Promoter's Holding | | | | | | |
| Indian Promoters | 5 | 120637386 | 73.80 | 5 | 120637386 | 73.80 |
| Total Promoter's Holding (A) | 5 | 120637386 | 73.80 | 5 | 120637386 | 73.80 |
| Public Shareholding | | | | | | |
| Institutional Investors | | | | | | |
| Mutual Funds | Nil | Nil | Nil | Nil | Nil | Nil |
| Financial Institutions/Banks | 3 | 720283 | 0.44 | 4 | 379635 | 0.23 |
| Foreign Institutional Investors | 1 | 797083 | 0.49 | 2 | 847083 | 0.52 |
| Foreign Companies | Nil | Nil | Nil | Nil | Nil | Nil |

| | | | | | | |
|----------------------------------|--------------|------------------|---------------|--------------|------------------|---------------|
| Non - Institutional Investors | | | | | | |
| Bodies Corporate | 179 | 2754918 | 1.68 | 196 | 3311341 | 2.03 |
| Individuals | 18215 | 36665812 | 22.43 | 17243 | 36107228 | 22.09 |
| Others | | | | | | |
| Non Resident Indians | 191 | 945147 | 0.58 | 172 | 882148 | 0.54 |
| Overseas Corporate Bodies | Nil | Nil | Nil | Nil | Nil | Nil |
| Trusts | 1 | 50000 | 0.03 | 1 | 50000 | 0.03 |
| Clearing Members | 91 | 894106 | 0.55 | 79 | 1250414 | 0.76 |
| Total Public Shareholding (B) | 18681 | 42827349 | 26.20 | 17697 | 42827349 | 26.20 |
| Shares held by Custodian against | | | | | | |
| Depository Receipts (C) | Nil | Nil | Nil | Nil | Nil | Nil |
| TOTAL (A + B + C) | 18686 | 163464735 | 100.00 | 17702 | 163464735 | 100.00 |

Graph representing the Shareholding Pattern as on 31st March 2017:

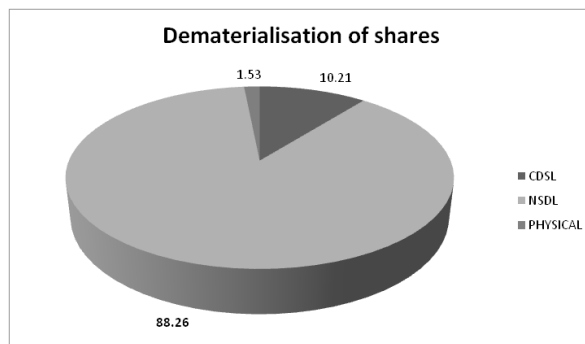


o) Dematerialization of shares and liquidity

Shares held in Physical and Dematerialised form as on 31st March, 2017

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

16,34,64,735 Equity Shares representing 98.47% of the Company's total equity share capital were held in dematerialized form of which 88.26% was held in National Securities Depository Limited (NSDL) and 10.21% was held in Central Depository Services (India) Limited (CDSL) and physical shares consists of 1.53% as on 31st March, 2017.



p) Address for investor correspondence

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

M/s. Country Club Hospitality & Holidays Limited
'AmruthaCastle', 5-9-16, Saifabad
Opp: Secretariat, Hyderabad - 500 063. Telangana
Email: inv.grievance@countryclubmail.com
Phone : + 91 40 6684 8888, Fax : + 91 40 6636 0609
Website : www.countryclubindia.net

DISCLOSURES:

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

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

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

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

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

Date: 11th August, 2017
Place: Hyderabad

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

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

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

I, Y. Rajeev Reddy, Chairman & Managing Director of M/s. Country Club Hospitality & Holidays Limited hereby declare that all the Board Members and Senior managerial Personnel have affirmed for the year ended 31st March, 2017 Compliance with the Code of Conduct of the Company laid down for them.

Place: Hyderabad
Date: 11th August, 2017

Y. Rajeev Reddy
Chairman & Managing Director

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

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

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2017 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: 11th August, 2017

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

K. Phaneendra Rao
Chief Financial Officer

Annexure - I
Compliance Certificate on Corporate Governance

To
The Members,
Country Club Hospitality & Holidays Limited
Hyderabad

We have examined the compliance of conditions of Corporate Governance by **Country Club Hospitality & Holidays Limited** for the year ended 31st March, 2017 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the said listing agreement/listing regulations.

We state that in respect of Investor grievances received during the year ended 31st March, 2017, no investor grievances are pending against the Company as per the records of the company. We further state that such Compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Place: Hyderabad
Date : 11th August, 2017

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

CONSOLIDATED

Financial Section

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members

Country Club Hospitality & Holidays Limited

Report on the consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Country Club Hospitality & Holidays Limited ("the Holding Company"), and its subsidiaries, its jointly controlled entities and associated companies; together referred to as "the Group" comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as ' the consolidated financial statements')

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. The Board of Directors of the Company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the rules made there under including the accounting standards and matters which are required to be included in audit report. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view. In order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Ind AS, of the consolidated financial position of the group, as at 31st March 2017, and its consolidated financial performance including other comprehensive income, its consolidated cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
 - b) in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books;
 - c) the Consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
 - d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
 - e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2017, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary/joint venture companies incorporated in India, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
 - g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statement has disclosed the pending litigations which could have impact on its financial position.
 - ii. The Holding company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company and the subsidiary companies incorporated in India.
 - iv. The Company has provided requisite disclosures in its Ind AS Financial Statements (Note No. 33) as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books maintained by the Company.

Other Matter

1. We did not audit the financial statements and financial information of Two Subsidiary Companies which are included in the consolidated year to date results, whose consolidated interim financial statements reflect total assets before elimination of Rs.8,42,43,27,697/- as at 31st March, 2017 as well as the total revenue of Rs.1,84,39,12,826/- as at 31st March, 2017. These include Audited Interim financial statements and other financial information has been audited by other Auditors whose reports have been furnished to us and our opinion on the quarterly financial results and the year to date results, to the extent they have been derived from such interim financial statements is based solely on the report of such other auditors.
In our opinion and to the best of our information and according to the explanations given to us, these consolidated year-to-date financial results of the following entities:

- (A) Aquarian Realtors Private Limited
- (B) Bright Resorts Private Limited

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

For P. Murali & CO.,
Chartered Accountants
Firm Registration No : 007257S

Place: Hyderabad
Date: 30/05/2017

P. Murali Mohana Rao
Partner
M.No 023412

Annexure A to the Independent Auditor's Report

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

In conjunction with our Audit of the consolidated financial statements of the company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of Country Club Hospitality & Holidays Limited ('the Holding company') and its subsidiary companies which are incorporated in India, as of the date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitation of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, The Holding Company and its subsidiary/ joint venture companies, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute Of Chartered Accountants of India.

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

Place: Hyderabad
Date: 30/05/2017

P. Murali Mohana Rao
Partner
M.No. 023412

CONSOLIDATED BALANCE SHEET AS AT 31-03-2017

Amount in ₹

| Particulars | Note Nos. | As at 31-03-2017 | As at 31-03-2016 |
|--|-----------|-----------------------|-----------------------|
| I. ASSETS | | | |
| 1. Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 1 | 13,204,485,474 | 13,279,364,250 |
| (ii) Intangible Assets | | 817,276,911 | 820,508,351 |
| (iii) Capital Work in progress | | 184,430,315 | 169,721,158 |
| (b) Long-Term Loans and Advances | 2 | 1,273,931,547 | 741,333,321 |
| (c) Other Non-Current Assets | 3 | 37,399 | 37,399 |
| 2. Current Assets | | | |
| (a) Current Investments | 4 | 273,000 | 1,273,000 |
| (b) Inventories | 5 | 40,759,236 | 33,233,274 |
| (c) Trade Receivables | 6 | 197,133,464 | 214,652,594 |
| (d) Cash and Cash Equivalents | 7 | 117,218,685 | 193,154,925 |
| (e) Short-Term Loans and Advances | 8 | 637,995,731 | 864,360,271 |
| (f) Other Current Assets | 9 | 247,165,792 | 246,492,649 |
| TOTAL | | 16,720,707,554 | 16,564,131,192 |
| II. EQUITY AND LIABILITIES | | | |
| 1. Shareholders Funds | | | |
| (a) Share Capital | 10 | 326,929,470 | 326,929,470 |
| (b) Reserves & Surplus | 11 | 10,003,338,300 | 9,919,243,215 |
| 2. Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 12 | 4,074,774,218 | 3,624,951,131 |
| (b) Deferred Tax Liabilities (Net) | 13 | 795,570,276 | 711,921,937 |
| (c) Deferred Income - Advance towards Members Facilities | | 50,482,128 | 50,482,128 |
| (d) Other Long Term Liabilities | 14 | 14,674,742 | 15,219,758 |
| (e) Long Term Provisions | 15 | 17,646,700 | 22,611,389 |
| 3. Current Liabilities | | | |
| (a) Trade Payables | 16 | 196,572,300 | 204,188,066 |
| (b) Other Current Liabilities | 17 | 795,513,992 | 1,194,572,636 |
| (c) Short-Term Provisions | 18 | 445,205,428 | 494,011,462 |
| TOTAL | | 16,720,707,554 | 16,564,131,192 |

Significant Accounting Policies & Notes to Financial Statements 1 to 39

As per our report of even date

For P.Murali & Co.,

Chartered Accountants

FRN:007257S

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

P.Murali Mohana Rao

Partner

Membership No.23412

Y.Rajeev Reddy

Chairman & Managing Director

Y.Siddharth Reddy

Vice-Chairman, JMD & CEO

Place: Hyderabad

Date: 30-05-2017

K.Phaneendra Rao

Chief Financial Officer

V.Sreelatha

Company Secretary

STATEMENT OF CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31-03-2017

Amount in ₹

| Particulars | Note Nos. | Year Ended 31-03-2017 | Year Ended 31-03-2016 |
|---|-----------|--------------------------|--------------------------|
| I. INCOME | | | |
| Revenue From Operations | 19 | 4,529,263,235 | 5,206,348,762 |
| Other Income | 20 | 40,388,273 | 124,462,468 |
| TOTAL REVENUE | | 4,569,651,508 | 5,330,811,230 |
| II. EXPENDITURE | | | |
| Cost of Material Consumed | 21 | 212,656,506 | 213,675,923 |
| Employee Benefit Expenses | 22 | 1,578,044,856 | 1,774,833,341 |
| Finance Cost | 23 | 431,117,860 | 481,439,155 |
| Depreciation and Amortisation Expenses | 1 | 454,068,486 | 432,891,823 |
| Other Expenses | 24 | 1,760,823,671 | 2,056,277,298 |
| TOTAL EXPENDITURE | | 4,436,711,379 | 4,959,117,540 |
| III. PROFIT | | | |
| Profit Before Exceptional and Tax (1-2) | | 132,940,129 | 371,693,690 |
| Profit Before Tax | | 132,940,129 | 371,693,690 |
| Tax Expense: | | | |
| - Current Tax | | 463,945 | |
| - Deferred Tax | | 83,648,339 | 101,673,258 |
| Profit for the Year | | 48,827,845 | 270,020,432 |
| Earning Per Share | | | |
| - Basic | | 0.30 | 1.65 |
| - Diluted | | 0.30 | 1.65 |

Significant Accounting Policies & Notes to Financial Statements 1 to 39

As per our report of even date

For P.Murali & Co.,

Chartered Accountants

FRN:007257S

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

P.Murali Mohana Rao

Partner

Membership No.23412

Y.Rajeev Reddy

Chairman & Managing Director

Y.Siddharth Reddy

Vice-Chairman, JMD & CEO

Place: Hyderabad

Date: 30-05-2017

K.Phaneendra Rao

Chief Financial Officer

V.Sreelatha

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

Amount in ₹

| Particulars | Current Year | Previous Year |
|--|----------------------|------------------------|
| 1. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Profit Before Tax | 132,940,129 | 371,693,690 |
| Adjustments for :- | | |
| Depreciation | 454,068,486 | 432,891,823 |
| Interest Paid | 431,117,860 | 481,439,155 |
| Foreign Currency Translation Reserve | 77,434,317 | (155,946,645) |
| Excess amount charged in Reserves and Surplus | (42,167,078) | (28,803,316) |
| Amount charged in Reserves & Surplus for Re-organisation of Subsidiary | - | (13,677,196) |
| Interest Income | (873,191) | (1,204,434) |
| Operating Cash Flow before Working Capital Changes | 1,052,520,523 | 1,086,393,077 |
| (Increase) / Decrease in Inventory | (7,525,962) | (3,136,295) |
| (Increase) / Decrease in Trade Receivables | 17,519,130 | 171,485,581 |
| (Increase) / Decrease in Short Term Loans & Advances | 226,364,540 | (88,747,733) |
| (Increase) / Decrease in Other Current Assets | (673,143) | 109,698,473 |
| (Increase) / Decrease in Current Investments | 1,000,000 | 50,000 |
| Increase / (Decrease) in Trade Payables | (7,615,766) | (4,036,992) |
| Increase / (Decrease) in Other Current Liabilities | (399,058,644) | 355,791,099 |
| Increase / (Decrease) in Short Term Provisions | (49,269,979) | 2,623,838 |
| CASH GENERATED FROM OPERATIONS | 833,260,699 | 1,630,121,048 |
| Add: Prior Period Expenses | - | - |
| Less: Income Tax Paid | | |
| CASH GENERATED FROM OPERATING ACTIVITIES | 833,260,699 | 1,630,121,048 |
| 2. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase/Sale of fixed Assets | (375,958,270) | (1,932,559,674) |
| Capital Work in Progress, Pre-operative Expenses | (14,709,157) | 904,005,583 |
| Interest Income | 873,191 | 1,204,434 |
| Miscellaneous Expenses | - | 178,816 |
| (Increase) / Decrease in Long Term Loans & Advances | (532,598,226) | 19,376,184 |
| NET CASH AVAILABLE FROM INVESTING ACTIVITIES | (922,392,461) | (1,007,794,657) |
| 3. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Proceeds From Issue of Equity Shares | - | - |
| Proceeds/(Repayment) of Loan | 449,823,087 | (389,445,583) |
| Statutory Reserve | - | - |
| Interest Paid | (431,117,860) | (481,439,155) |
| Increase / (Decrease) in Other Long Term Liabilities | (5,509,705) | (236,592) |
| Proceeds/(Repayment) of Membership Fees | - | (15,455,643) |
| NET CASH USED IN FINANCING ACTIVITIES | 13,195,522 | (886,576,973) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS(I+II+III) | (75,936,240) | (264,250,582) |
| Opening Balance of Cash & Cash Equivalents | 193,154,925 | 457,405,507 |
| Closing Balance of Cash & Cash Equivalents | 117,218,685 | 193,154,925 |

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 HOSPITALITY & HOLIDAYS LIMITED

P.Murali Mohana Rao

Partner

Membership No.23412

Place: Hyderabad

Date: 30-05-2017

Y.Rajeev Reddy

Chairman & Managing Director

K.Phaneendra Rao

Chief Financial Officer

Y.Siddharth Reddy

Vice-Chairman, JMD & CEO

V.Sreelatha

Company Secretary

SCHEDULE 1 CONSOLIDATED FIXED ASSETS SCHEDULES

{SLM METHOD}

| Particulars | GROSS BLOCK AS ON 1-4-2016 | ADDITIONS During the year | DELETIONS During the year | GROSS BLOCK As on 31-3-2017 | DEPRECIATION Upto 1-4-2016 | DEPRECIATION During the year | DELETION/ dep during the year | DEPRECIATION As on 31-03-2017 | NET BLOCK As on 31-03-2017 | NET BLOCK As on 31-03-2016 |
|----------------------------|----------------------------------|---------------------------------|---------------------------------|-----------------------------------|----------------------------------|------------------------------------|-------------------------------------|-------------------------------------|----------------------------------|----------------------------------|
| Tangible Assets | | | | | | | | | | |
| Land & Site Development | 712,129,554 | 73,015 | 116,809,929 | 595,392,640 | | | | - | 595,392,640 | 712,129,554 |
| Buildings | 12,241,648,702 | 3,517,447 | 9,474,807 | 12,235,691,342 | 1,602,521,269 | 172,443,269 | 3,018,451 | 1,771,946,087 | 10,463,745,255 | 10,639,121,434 |
| Furniture & Fixtures | 1,213,353,341 | 296,465,109 | 61,164,137 | 1,448,654,313 | 538,076,459 | 165,098,594 | 27,442,941 | 675,732,112 | 772,922,201 | 675,276,882 |
| Plant & Machinery | 1,575,170,604 | 236,633,535 | 10,921,200 | 1,800,882,939 | 349,775,657 | 98,348,970 | 7,341,010 | 440,783,617 | 1,360,099,322 | 1,225,394,947 |
| Computers | 39,576,662 | 4,504,258 | | 44,080,920 | 33,064,629 | 5,360,554 | | 38,425,183 | 5,655,737 | 6,512,033 |
| Vehicles | 70,913,466 | 75,739 | 18,962,998 | 52,026,207 | 49,990,066 | 7,965,833 | 12,600,011 | 45,355,888 | 6,670,319 | 20,923,399 |
| Total - A | 15,852,792,329 | 541,269,103 | 217,333,071 | 16,176,728,361 | 2,573,428,079 | 449,217,219 | 50,402,412 | 2,972,242,887 | 13,204,485,474 | 13,279,364,250 |
| Previous Year | 13,983,241,788 | 2,547,295,582 | 677,745,042 | 15,852,792,329 | 2,222,064,393 | 423,644,430 | 72,280,744 | 2,573,428,079 | 13,279,364,250 | 11,761,177,396 |
| Intangible Assets | | | | | | | | | | |
| Goodwill | 805,108,986 | | | 805,108,986 | | | | - | 805,108,986 | 805,108,986 |
| Brand Development | 9,474,059 | | | 9,474,059 | 9,474,059 | | | 9,474,059 | - | - |
| Software & Development | 27,431,644 | 1,619,826 | | 29,051,470 | 23,422,040 | 4,851,266 | - | 28,273,306 | 778,164 | 4,009,604 |
| Intangible Assets | 11,389,761 | | | 11,389,761 | | | | - | 11,389,761 | 11,389,761 |
| Total - B | 853,404,450 | 1,619,826 | - | 855,024,276 | 32,896,099 | 4,851,266 | - | 37,747,365 | 817,276,911 | 820,508,351 |
| Previous Year | 862,717,991 | 4,557,276 | 13,870,817 | 853,404,450 | 23,690,637 | 9,247,393 | 41,932 | 32,896,099 | 820,508,351 | 839,027,354 |
| Grand Total - A + B | 16,706,196,779 | 542,888,929 | 217,333,071 | 17,031,752,637 | 2,606,324,177 | 454,068,486 | 50,402,412 | 3,009,990,252 | 14,021,762,385 | 14,099,872,602 |
| Total Previous Year | 14,8459,59,779 | 2,551,852,858 | 691,615,859 | 16,706,196,779 | 2,245,755,031 | 432,891,823 | 72,322,675 | 2,606,324,177 | 14,099,872,602 | 12,600,204,750 |

NOTES TO CONSOLIDATED BALANCE SHEET

NOTE NO. 2 : LONG-TERM LOANS AND ADVANCES

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|---|----------------------|---------------------|
| Unsecured Considered Good Capital Advance | 115,374,698 | 122,421,711 |
| Security Deposit | 307,852,722 | 211,277,236 |
| Loans and Advances to related parties Zen Garden Hotel Private Limited | 1,500 | 2,500 |
| Other Loans and Advances | 850,702,627 | 407,631,874 |
| | 1,273,931,547 | 741,333,321 |

NOTE NO. 3 : OTHER NON-CURRENT ASSETS

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|--|---------------------|---------------------|
| Unamortised Selling and Preliminary Expenses Preliminary Expenses Not Written off | 37,399 | 37,399 |
| | 37,399 | 37,399 |

NOTE NO. 4 : CURRENT INVESTMENTS

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|--------------------------------------|---------------------|---------------------|
| Investment-The Saraswat Coop Bank | 25,000 | 25,000 |
| Investment-CANARA ROBECO Mutual Fund | | 1,000,000 |
| The Cosmos Co-op Bank | 100,000 | 100,000 |
| The Urban Co-Operative Bank | 48,000 | 48,000 |
| Bharat Co-op.Bank Ltd. | 100,000 | 100,000 |
| | 273,000 | 1,273,000 |

NOTE NO. 5 : INVENTORIES

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|---|---------------------|---------------------|
| Inventories (at lower of cost & net realisable value) | | |
| stores | | |
| Food,Beverages,Smokes & Operating Supplies | 16,315,516 | 17,892,684 |
| Gifts | 24,443,720 | 15,340,590 |
| | 40,759,236 | 33,233,274 |

NOTE NO. 6 : TRADE RECEIVABLES

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|--|---------------------|---------------------|
| Receivables outstanding for more than six months from the date they are due for payment Unsecured & Considered Good | 1,852,134 | 4,369,292 |
| Receivables outstanding for more than six months from the date they are due for payment Unsecured & Considered Good | 195,281,330 | 210,283,302 |
| | 197,133,464 | 214,652,594 |

NOTE NO. 7 : CASH AND CASH EQUIVALENTS

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|--|---------------------|---------------------|
| Cash on hand | 6,908,573 | 9,627,177 |
| Balances with banks : | | |
| - Current Accounts | 89,244,799 | 150,395,521 |
| - Fixed Deposits - with maturity of less/more than | 19,795,209 | 31,859,723 |
| Earmarked Accounts | | |
| - Unpaid Dividend Accounts | 1,270,104 | 1,272,504 |
| | 117,218,685 | 193,154,925 |

NOTE NO. 8 : SHORT TERM LOANS AND ADVANCES

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|---|---------------------|---------------------|
| Advance to Suppliers | 2,472,938 | 2,283,079 |
| Loans and Advances to Employees | 19,937,213 | 144,107,13 |
| Advances Recoverable in Cash or Kind-(Unsecured, Considered Good) | 559,220,723 | 792,280,442 |
| Advances with Statutory Authorities | 56,364,857 | 55,386,037 |
| | 637,995,731 | 864,360,271 |

NOTE NO. 9 : OTHER CURRENT ASSETS

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|--------------------------------|---------------------|---------------------|
| VAT Receivables | 8,723,286 | 7,663,789 |
| TDS/TCS Receivables | 10,901,311 | 9,347,483 |
| Prepaid Expenses | 214,041,627 | 217,165,510 |
| Service Tax Credit Receivables | 13,499,568 | 12,315,867 |
| | 247,165,792 | 246,492,649 |

NOTE NO. 10 : SHARE CAPITAL

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|---|---------------------|---------------------|
| Authorised Capital 220000000 Equity Shares (Previous Year 220000000 Equity Shares) | 440,000,000 | 440,000,000 |
| Issued, Subscribed & Fully Paid up: 163464735 Equity Shares (Previous Year 163464735 Equity Shares) | 326,929,470 | 326,929,470 |
| | 326,929,470 | 326,929,470 |
| Par Value per Share | 2 | 2 |

Notes:

3 a. Terms /rights attached to equity shares

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

Reconciliation of the number of shares outstanding

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

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

| Name of the Shareholder | As at 31-03-2017 | As at 31-03-2016 |
|-------------------------|---------------------|---------------------|
| Y.Rajeev Reddy | | |
| - No of Shares | 106,337,986 | 106,337,986 |
| - % held in the Company | 65.05 | 65.05 |

NOTE NO. 11 : RESERVES AND SURPLUS

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|---|---------------------|---------------------|
| Capital Reserve | | |
| As per last year Balance Sheet | 308,740,299 | 308,740,299 |
| Add: Current Year Transfer | | |
| | 308,740,299 | 308,740,299 |
| Securities Premium Account | 4,966,551,969 | 4,966,551,969 |
| Foreign Currency Translation Reserve | 777,117,006 | 699,682,689 |
| Revaluation Reserve | 43,655,100 | 43,655,099 |
| As per last year Balance Sheet | 83,300,000 | 83,300,000 |
| Add: Transfer from statement of Profit and Loss account | - | - |
| | 83,300,000 | 83,300,000 |
| Surplus: | | |
| Surpuls in Statement of Profit and Loss | | |
| As per last year Balance Sheet | 3,817,313,159 | 3,589,773,239 |

| | | |
|--|-----------------------|----------------------|
| Add: Subsequent period to Amalgamation | | |
| Amount transferred to Retained Earnings in pursuant of Schedule II to The Companies Act,2013 | (42,167,078) | (28,803,316) |
| Less: Amount pertaining to re-organisation of subsidiary | - | (13,677,196) |
| Add: Current year Profit | 48,827,845 | 270,020,432 |
| Surplus in Statement of Profit & Loss | 3,823,973,926 | 3,817,313,159 |
| Total Reserves and Surplus | 10,003,338,300 | 9,919,243,215 |

NOTE NO. 12 : LONG-TERM BORROWINGS

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|---|----------------------|----------------------|
| Secured | | |
| Term loans From Banks | | |
| - Oriental Bank of Commerce Loan | 75,625,613 | 76,806,906 |
| - Oriental Bank of Commerce Loan - 2 | 30,495,313 | 36,398,870 |
| (Secured by way of Hypothecation of Land & Buildings) | | |
| - UBI Loan | 384,376,130 | 388,168,828 |
| (Secured by way of Hypothecation of Land & Buildings) | | |
| - Vijaya Bank Loan | 282,321,188 | 284,792,637 |
| (Secured by way of Hypothecation of Land & Buildings) | | |
| - Bank of India Loan | 157,842,125 | 171,758,145 |
| (Secured by way of Hypothecation of Land & Buildings) | | |
| - Central Bank of India | - | 347,266,886 |
| - Central Bank Of India-3547734960 | 30,1787,94 | - |
| - Central Bank Of India-3547726552 | 433,207,806 | - |
| (Secured by way of Hypothecation of Land & Buildings) | | |
| - Canara Bank | 448,470,458 | 401,992,630 |
| (Secured by way of Hypothecation of Land & Buildings) | | |
| - Saraswat Co Op Bank Loan I | 74,373,860 | 819,60,513 |
| - Saraswat Co Op Bank Loan II | 361,249,594 | 404,859,869 |
| (Secured by way of Hypothecation of Land & Buildings) | | |
| - Cosmos Bank Loan I | 42,940,546 | 53,513,661 |
| - Cosmos Bank Loan II | 57,482,500 | 71,822,077 |
| - Cosmos Bank Loan III | 184,640,567 | 207,102,316 |
| (Secured by way of Hypothecation of Land & Buildings) | | |
| - National Bank of Fujjarah - NBF | 1,348,236,497 | 949,885,667 |
| (Secured by way of Mortgage of Country Club Hotel, Dubai.) | | |
| Equipment Finance & Other Loans | 3,316,453 | 6,624,854 |
| (Loan from Emirates NBD & Dubai Islamic Bank and the same were secured by way of hypothecation of the vehicles) | 3,914,757,444 | 3,482,953,859 |
| Unsecured | | |
| Loans and Advances From Related Parties | | |
| - Y.Rajeev Reddy /Loan from Promoters | 154,022,159 | 134,522,159 |
| - Zen Garden Hotel Pvt Ltd | 2,060,705 | 3,511,208 |
| Other Loans and Advances | 3,933,910 | 3,963,905 |
| | 160,016,774 | 141,997,272 |
| TOTAL | 4,074,774,218 | 3,624,951,131 |

NOTE NO. 13 : DEFERRED TAX LIABILITIES (NET)

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|---|---------------------|---------------------|
| Opening Deferred tax Liability | 711,921,937 | 610,248,679 |
| Add: Deferred Tax Liability from Amalgamation | | |
| Add: Deferred Tax Liability for the year (Due to SLM and WDV Difference) | 83,648,339 | 101,673,258 |
| | 795,570,276 | 711,921,937 |

NOTE NO. 14 : OTHER LONG-TERM LIABILITIES

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|-------------|---------------------|---------------------|
| Unsecured | | |
| Deposits | 14,674,742 | 15,219,758 |
| | 14,674,742 | 15,219,758 |

NOTE NO. 15 : LONG TERM PROVISIONS

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|------------------------------------|---------------------|---------------------|
| Employees' end of service benefits | 17,646,700 | 22,611,389 |
| | 17,646,700 | 22,611,389 |

NOTE NO. 16 : TRADE PAYABLES

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|---|---------------------|---------------------|
| Total Outstanding Dues to Micro and Small Enterprises | | |
| Others | 196,572,300 | 204,188,066 |
| | 196,572,300 | 204,188,066 |

NOTE NO.17 : OTHER CURRENT LIABILITIES

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|--------------------------------------|---------------------|----------------------|
| Current Maturities of Long-Term Debt | 442,390,423 | 808,595,760 |
| Advance Received from Customers | 4,802,559 | 3,381,125 |
| Unpaid Dividends | 1,265,179 | 2,028,339 |
| Dues to Statutory Authorities | 160,456,957 | 194,023,831 |
| Other Liabilities | 172,800,535 | 153,364,449 |
| Creditors for Capital Goods | 13,798,339 | 33,179,132 |
| | 795,513,992 | 1,194,572,636 |

NOTE NO.18 : SHORT-TERM PROVISIONS

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|---|---------------------|---------------------|
| Provision for Employee Benefits | | |
| - Salaries Payable (Includes Incentives) | 304,675,183 | 302,629,490 |
| - PF Payable | 7,715,415 | 18,280,734 |
| - ESIC Payable | 3,084,069 | 12,046,737 |
| - PT Payable | 5,783,091 | 5,062,051 |
| Others | | |
| - Provision for Income Tax | 463,945 | - |
| - TDS Payable | 91,606 | 91,606 |
| - Consultancy & Profesional Charges Payable | 4,022,448 | 2,812,555 |
| - Provision for Expenses | 119,369,671 | 153,088,289 |
| | 445,205,428 | 494,011,462 |

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

Amount in ₹

| Particulars | Year Ended 31-03-2017 | Year Ended 31-03-2016 |
|--|--------------------------|--------------------------|
| Sales of Services | | |
| Income from Sale of Membership, Vacation Ownership & Guest Accommodation & Training/Coaching in recreational activities relating to art,Culture & Sports,Fitness | 3,714,933,665 | 44,88,579,795 |
| Income from Hotel,Clubs & Resorts | | |
| - Food & Beverages from Restaurant & Banquets | 274,544,595 | 254,186,984 |
| Annual Subscription Fee | 539,784,975 | 463,581,983 |
| | 4,529,263,235 | 5,206,348,762 |

NOTE NO. 20 : OTHER INCOME

Amount in ₹

| Particulars | Year Ended 31-03-2017 | Year Ended 31-03-2016 |
|-----------------------------------|--------------------------|--------------------------|
| Interest Income | | |
| - On Deposits with Bank | 873,191 | 1,204,434 |
| - Miscellaneous Income/Lease Rent | 39,515,082 | 123,258,034 |
| | 40,388,273 | 124,462,468 |

NOTE NO. 21 : COST OF MATERIAL CONSUMED

Amount in ₹

| Particulars | Year Ended 31-03-2017 | Year Ended 31-03-2016 |
|--|--------------------------|--------------------------|
| Opening Stock of Food & Bevarages, Stores and Operating Supplies | 17,892,684 | 13,818,860 |
| Add: Purchases | 211,079,337 | 217,749,747 |
| Less: Closing Stock of Food & Bevarages, Stores and Operating Supplies | 16,315,515 | 17,892,684 |
| | 212,656,506 | 213,675,923 |

NOTE NO. 22 : EMPLOYEE BENEFIT EXPENSES

Amount in ₹

| Particulars | Year Ended 31-03-2017 | Year Ended 31-03-2016 |
|---|--------------------------|--------------------------|
| Salaries & Other Benefits | 1,527,228,619 | 1,704,876,186 |
| Contribution to Provident & Other Funds | 26,904,345 | 41,352,808 |
| Staff Welfare Expenses | 23,911,892 | 28,604,347 |
| | 1,578,044,856 | 1,774,833,341 |

NOTE NO. 23 : FINANCE COST

Amount in ₹

| Particulars | Year Ended 31-03-2017 | Year Ended 31-03-2016 |
|------------------------|--------------------------|--------------------------|
| Interest on Term Loans | 431,117,860 | 481,439,155 |
| | 431,117,860 | 481,439,155 |

NOTE NO. 24 : OTHER EXPENSES

Amount in ₹

| Particulars | Year Ended 31-03-2017 | Year Ended 31-03-2016 |
|--|--------------------------|--------------------------|
| Upkeep & Service Cost | | |
| - Building Maintenance | 5,854,778 | 4,011,987 |
| - Repairs, Maintenance to other assets. | 28,357,355 | 43,140,341 |
| - Vehicle Maintenance & Running Exp. | 3,048,641 | 3,481,445 |
| - Other Maintenance | 84,760,312 | 78,899,252 |
| Power & Fuel | 140,366,776 | 146,788,155 |
| Rent including Lease Rent | 384,395,548 | 415,077,777 |
| Rates & Taxes | 40,623,845 | 52,921,037 |
| Insurance | 5,282,125 | 7,748,779 |
| Finance Charges | 102,134,672 | 165,116,813 |
| Travelling & Conveyance | 79,545,293 | 101,311,728 |
| Printing & Stationery | 27,472,958 | 28,744,865 |
| Postage, Telegram & Telephones | 90,383,547 | 116,572,681 |
| Advertisement & Other Marketing Expenses | 397,932,732 | 540,608,901 |
| Other Administrative Expenses | 203,422,882 | 256,757,454 |
| Miscellaneous Expenses Written Off | - | 178,816 |
| Legal & Professional Charges. | 166,035,346 | 93,711,389 |
| Auditors Remuneration Includes | | |
| - Audit Fee | 706,861 | 705,878 |
| - For Taxation Matters | 200,000 | 200,000 |
| - For Other Services | 300,000 | 300,000 |
| | 1,760,823,671 | 2,056,277,298 |

SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information

Country Club Hospitality & Holidays Limited formerly known as Country Club (India) Limited ('The Company') is a public entity domiciled in India and India's biggest chain of family clubs with over 70 destinations across India, Srilanka, Middle East, Malaysia, Singapore, Thailand and Philippines. It is dubbed as the Power House of Entertainment. Its Shares are listed on NSE & BSE.

2. Basis of preparation

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

(i) Compliance with IndAS

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

The financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

(ii) Historical cost convention

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

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

2.1 First Time Adoption of Ind-AS

Transition to Ind AS

These are the company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2.2 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

2.2 Summary of significant accounting policies

I. Significant Accounting Estimates and Judgments

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

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

Use of estimation and assumptions

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

Property, plant and equipment & Intangible Assets

Key estimates related to long-lived assets (property, plant and equipment, mineral leaseholds and intangible assets) include useful lives, recoverability of carrying values and the existence of any retirement obligations. As a result of future decisions, such estimates could be significantly modified. The estimated useful lives of long-lived assets is applied as per schedule II of Companies Act, 2013 and estimated based upon our historical experience, engineering estimates and industry information. These estimates include an assumption regarding periodic maintenance and an appropriate level of annual capital expenditures to maintain the assets.

Impairment of plant & equipment and Intangible assets

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

Expected credit loss

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

II. Property, Plant and Equipment

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

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

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

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

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

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

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

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

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

Depreciation

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

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

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

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

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

III. Intangible Assets

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

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

Financial Assets

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

Initial recognition:

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

Subsequent Measurement:

(i) Financial assets measured at amortised cost:

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

Impairment of Financial Assets:

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

(i) Trade Receivables

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

(ii) Other financial assets

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

De-recognition of financial assets

A financial asset is derecognized only when:

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

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

IV. Impairment of Non-Financial Assets

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

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

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

V. Inventories

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

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

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

VI. Cash and Cash equivalents

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

VII. Non-current Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of the disposal group, are re-measured in accordance with the Company's accounting policies. Thereafter, the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment losses on initial classification as held for sale

or subsequent gain on re-measurement are recognized into net income. Gains are not recognized in excess of any cumulative impairment losses.

VIII. Financial Liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

IX. Borrowing Costs

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

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

X. Employee Benefits

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

- Compensated absences are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.
- The amount of Non-current and Current portions of employee benefits is classified as per the actuarial valuation at the end of each financial year.

XI. Income Taxes

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

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

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

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

XII. Leases

As a lessee

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

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

As a lessor

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

Lease-hold land:

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

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

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

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

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

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

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

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

Contingent Liabilities

Contingent liability is disclosed in case of

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

Contingent Assets

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

XIV. Revenue Recognition

The Company's business is to sell Club ownership, provide holiday facilities, accommodation services, Training/ Coaching in recreational activities relating to art, culture & sports, fitness training and clubbing to its members for a specified period, for which membership fee is collected either in full up front, or on deferred payment basis. Revenue from Membership fees which is non refundable is recognized as income on admission of a member. Requests for cancellation of membership are accounted for when it is accepted by the company.

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

XV. Foreign Currency Transactions

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

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

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

XVI. Minimum Alternative Tax (MAT)

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

XVII. Earnings per Share

Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

XVIII. Basis of Consolidation

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

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

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

| Sl.No. | Relationship | Name of the Subsidiary |
|---------------|---|--|
| 1 | Subsidiaries of Country Club Hospitality & Holidays Limited | Aquarian Realtors Private Limited |
| 2 | | Bright Resorts Private Limited |
| 3 | | Bush Betta Holiday Ownership Wildlife Adventure Resort Pvt Ltd |

| | | |
|----|---|---|
| 4 | | Chanakyapuri Resorts Pvt Ltd |
| 5 | | Country Club Babylon Resorts Pvt Ltd |
| 6 | | Country Vacations International Ltd - Dubai |
| 7 | | Country Vacations International Ltd - India |
| 8 | | International Country Holidays Private Limited (formerly known as Aakruti Engineers Private Limited) |
| 9 | | J.J. Arts & Entertainments Pvt Ltd |
| 10 | | Maruti Waterpark & Entertainments Pvt Ltd |
| 11 | | Swami Vivekanand Training & Education Centre Private Limited |
| 12 | | Swimwel Investment & Trading Private Limited |
| 13 | | Club Arzee Limited |
| 1 | Step-Down Subsidiaries of Country Vacations International Ltd-Dubai | Country Club & Vacations W.L.L - Qatar |
| 2 | | Country Vacations International Limited - London |
| 3 | | Country Vacations International LLC - Dubai |
| 4 | | Country Vacations International LLC - Oman |
| 5 | | Country Vacations International LLC-Abu Dhabi |
| 6 | | Country Vacations International SDN BHD, Malaysia |
| 7 | | Country Vacations International W.L.L - Bahrain |
| 8 | | Kolet Resort Club Pvt Ltd |
| 9 | Step-Down Subsidiary of Aquarian Realtors Pvt. Ltd. | Jade Resorts Pvt Ltd |

NOTES TO THE FINANCIAL STATEMENTS

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

Amount in ₹

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

26. Particulars relating to managing director

Amount in ₹

| Particulars | Current Year | Previous year |
|-------------------------|--------------|---------------|
| Directors' Remuneration | 96,00,000 | 96,00,000 |
| Brand Ambassador Fee | 48,00,000 | 48,00,000 |

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

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

28. Earnings and Expenditure in Foreign Currency

a. Foreign Currency expenditure/inflow as follows

| Particulars | Current Year | Previous year |
|--------------------|--------------|---------------|
| Subsidiary Company | - | (236302761) |
| Total Netflow | - | (236302761) |

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

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

| Particulars | Current Year | Previous Year |
|--------------|--------------|---------------|
| Income Tax | 463,945 | - |
| Deferred Tax | 83,648,339 | 10,16,73,258 |

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

A.

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

B. Transactions during the year with Related Parties.

| Nature of Transaction | Subsidiary Companies including Step-Down Subsidiaries | Associate Companies | Other Related Parties |
|------------------------|---|---------------------|-----------------------|
| Lease Rentals payable | 21,00,000 | 7,20,000 | 57,73,620 |
| Directors Remuneration | - | - | 96,00,000 |
| Brand Ambassador fee | - | - | 48,00,000 |

32. The Basic and Diluted EPS is Calculated as under

| | Particulars | 31 st March,2017 | 31 st March,2016 |
|----|--|-----------------------------|-----------------------------|
| a) | Profit after Tax (₹) | 4,88,27,845 | 27,00,20,432 |
| b) | Earnings available to Equity Shareholders for Basic & Diluted EPS (₹) | 4,88,27,845 | 27,00,20,432 |
| c) | Weighted average Number of Shares taken for computation of EPS - Basic - Diluted | 16,34,64,735 | 16,34,64,735 |
| d) | Earning per Share - Basic - Diluted | 0.30 0.30 | 1.65 1.65 |
| e) | Nominal Value per Share (₹) | 2 | 2 |

33. Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, The denomination wise SBNs and other notes as per the notification is given below:

| | SBNs | Other denomination notes | Total |
|---------------------------------------|-----------|--------------------------|-----------|
| Closing cash on hand as on 08.11.2016 | 7,047,000 | 968,421 | 8,015,421 |
| (+) Permitted receipts | - | 33,36,000 | 33,36,000 |
| (-) Permitted payments | - | 18,56,745 | 18,56,745 |
| (-) Amount deposited in Banks | 70,47,000 | 250 | 70,47,250 |
| Closing cash on hand as on 30.12.2016 | - | 2,447,426 | 2,447,426 |

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E). dated the November 8, 2016.

34. Contingent Liabilities:

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

According to the information and explanations given to us and based on the records of the company examined by us, the Company has disputed Income Tax dues amounting to ₹10,25,46,436 which belongs to various Assessment Years which has not been deposited on account of disputes.:

35. Secured Loans:**From Banks**

- Term Loans from Oriental Bank of Commerce, Loans I & II of ₹25 crores for expansion of existing Clubs and secured by The Country Club (EROS Regency) situated at land Bearing killa no. 2,9,10/1,10/2 & 11/4 at village lakarpur, EROS Regency Township, Surajkund, Faridabad, Harayana. The Outstanding Balance for the Current year is ₹11,50,96,926/- (Previous Year ₹12,10,60,776/-)
- Term Loans from Union Bank of India, Vijaya Bank and Bank of India of ₹.115 crores has been taken for repayment of FCCB's and secured by way of properties located in Hyderabad, Banglore, Chennai and Kodaikanal. Further, the charge has been created on Delhi & Karnataka cash flows for servicing of the above loan. Additionally, the personal guarantees has also been given by three Directors (i.e. Mr Y Rajeev Reddy, Y. Siddharth Reddy & Y. Varun Reddy). The Outstanding Balance for the Current year is ₹85,62,27,443/- (Previous Year ₹84,47,19,610/-).

- c) Term Loan from Central Bank of India of ₹50 Crores to carry out interior, Gym/Fitness Centres and Civil works of the Company's property at multiple locations. Further charge has been created on Company's properties (movable/immovable) at Bangalore, Trivandrum and Bandipur. Additionally, the personal guarantees are also given by three Directors (i.e. Mr. Y.Rajeev Reddy, Y. Siddharth Reddy & Y. Varun Reddy). The Outstanding (Including Interest) Balance for the Current year is ₹48,29,86,600/- (Previous Year ₹46,95,66,886/-).
- d) Term Loan from Canara Bank of ₹50 Crores for the Company's expansion plan at Kolkatta, Cochin and Andheri, Mumbai and normal ongoing capex at various locations. Further charge has been created on Company's properties (movable/immovable) at Kolkatta, Cochin and Andheri, Mumbai. Additionally, the personal guarantees are also given by three Directors (i.e. Mr Y Rajeev Reddy, Y. Siddharth Reddy & Y. Varun Reddy). The Outstanding (Including Interest) Balance for the Current year is ₹46,73,70,458/- (Previous Year ₹47,09,92,630/-).
- e) Term Loans from Saraswat Co Op Bank, Loan of ₹25 crores for expansion of existing Clubs and secured by way of mortgage by deposit of title deed immovable property being land and building known as Hotel Amrutha Castle Constructed on plot of land bearing municipal nos. 5-9-16, 5-9-17, snf 6-9-18 and adjoining plot and land bearing municipal nos. 5-9-19, and 5-9-18/3 situated at Saifabad, Secretarial Road Hyderabad solely belonging to the company. The Outstanding Balance for the Current year is ₹8,25,29,860/- (Previous Year ₹ 8,85,22,303/-)
- f) Term Loan from Saraswat Co Op Bank of ₹50 Crores secured by way of mortgage, by deposit of title deed of immovable property located at Country club Golden Star # 623,624 Next to Pramukh Swami Hospital Adajan, Surat - 395 009 owned by Club Arzee Ltd. ,immovable property at Country Club Resort, Plot No. 496, Bhuvan Village, Kolad, Dist. Raigad. owned by Amruta Estates Pvt. Ltd., immovable property, Hotel Amruta Castle, opp Secretariate, Saifabad, Hyderabad and additional charge on immovable property at The Country Club, Balamatta Road, Mangalore 575 001. belonging to the Company. The Outstanding Balance for the Current Year is ₹40,14,86,594/- (Previous Year ₹43,67,34,869/-).
- g) Term Loans from Cosmos Bank, Loan - I & II of ₹. 35 crores for expansion of existing Clubs and secured by "The Country Club De Goa" no.836/1, Anjuna, Bardez, Goa and "the Country Club Spring" situated at C.T.S no. 1104/03 of village Kandivali, parekh Nagar, Kandivali, Mumbai. The Outstanding Balance for the Current year is ₹16,40,73,863/- (Previous Year ₹15,04,18,738/-)
- h) Term Loan from Cosmos Bank, Loan of ₹25 Crores for refurbishment and modernization of its clubs located at Pune, Kolkatta, Goa and Indore, secured by way of additional charge on property located at "The Country Club De Goa" No.836/1, Anjuna Bardez, Goa owned by Aquarian Realtors Pvt. Ltd. and "The Country Club Spring" situated at C.T.S No. 1104/03 of village Kandivali, Parekh Nagar, Kandival owned by M/s Swami Vivekanand Training and Education Centre Pvt. Ltd and additional security by way of registered equitable mortgage on "Country Club Fun & Food", 7thKm, Khandwa Road, Kasturbaagram, Indore owned by the Company. The Outstanding Balance for the Current Year is ₹21,45,62,567/- (Previous Year ₹23,24,77,316/-).
- i) Term loan from National Bank of Fujjarah -NBF, Dubai loan of Rs.87,53,82,754/- for expansion of existing Dubai Hotel and secured by mortgage of Country Club Hotel, Dubai. The outstanding Balance for the current year is ₹153,85,78,937/-(Previous year ₹ 143,34,75,347/-) The term loan taken from Bank of Baroda, Dubai is repaid by National Bank of Fujjarah- NBF.

Equipment Finance and Other Loans

- j) Equipment Finance & Other Loans from ENBD,Dubai Islamic Bank,NBAD & RAK Banks of ₹ 2,35,99,140 & Religare Finvest Ltd, Loan of ₹ 4.25 Crores for Vehicles and for expansion of existing Clubs and the same were secured by way of hypothecation of the Vehicles & mortgage of Club Arzee Limited, Survey no.623 & 624/2 adujan, Surat, Gujarat respectively . The Outstanding Balance for the Current year is ₹70,70,006/- (Previous Year ₹1,44,16,319/-).
- k) Lease Finance Loan from NOIDA Authority of ₹2.37 Crores for Plot and the same is secured against the plot no. N-14, Sector-18, Noida, Uttar Pradesh. The Outstanding Balance for the Current year is ₹2,71,64,614/- (Previous Year ₹2,91,64,614/-).

36. It is difficult to identify segment wise profitability and Capital Employed considering that infrastructure is common for all the revenue activities of the Company.
37. Pertaining to unclaimed dividend, no amount is due and outstanding as unclaimed dividend for more than seven years to be transferred to Investor Education & Protection Fund.

| Particulars | Amount (₹) |
|--------------------------------------|------------|
| Unpaid Dividend for the year 2013-14 | 2,71,727 |
| Unpaid Dividend for the year 2012-13 | 2,69,231 |
| Unpaid Dividend for the year 2011-12 | 2,43,578 |
| Unpaid Dividend for the year 2010-11 | 2,33,626 |
| Unpaid Dividend for the year 2009-10 | 2,47,017 |

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

As per our report of even date

For P.Murali & Co.,

Chartered Accountants

FRN:007257S

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

P.Murali Mohana Rao

Partner

Membership No.23412

Y.Rajeev Reddy

Chairman & Managing Director

Y.Siddharth Reddy

Vice-Chairman, JMD & CEO

Place: Hyderabad

Date: 30-05-2017

K.Phaneendra Rao

Chief Financial Officer

V.Sreelatha

Company Secretary

STANDALONE

Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Members

Country Club Hospitality & Holidays Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Country Club Hospitality & Holidays Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements:

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March 2017 and its financial performance including other comprehensive income, its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2017 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone Ind AS Financial Statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
 - e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
 - g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its notes to financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company during the year ended 31st March 2017.
 - iv. The Company has provided requisite disclosures in its Ind AS Financial Statements (Note No. 32) as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books maintained by the Company.

For P. Murali & CO.,
Chartered Accountants
Firm Registration No : 007257S

Place: Hyderabad
Date : 30-05-2017

P. Murali Mohana Rao
Partner
M.No. 023412

Annexure A to the Auditors Report

Annexure referred to in Independent Auditors Report to the Members of Country Club Hospitality & Holidays Ltd on the standalone Ind AS financial statements for the year ended 31st March 2017, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on such verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said order are not applicable to the company.
- iv. The Company has not granted any loans or made any Investments, or provided any guarantee or security to the parties covered under section 185 and 186 of the Act. Therefore, the provisions of clause 3(iv) of the said order are not applicable to the company.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues except in few cases, including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India ;
(b) There were no undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance, Income-tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues in arrears as at 31st March 2017 for a period of more than 6 months for the date they became payable.
(c) According to the information and explanations given to us and based on the records of the company examined by us, the company has disputed income tax dues amounting to Rs.10,25,46,436/- which belong to various Assessment years which have not been deposited on account of disputes.
- viii. In our opinion, and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution or banks as at the balance sheet date except with few delays in payment.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of this clause are not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our Audit.
- xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandate by the provisions of section 197 read with schedule V to the Act.

- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the Provisions of clause 3(xii) of the order are not applicable to the company.
- xiii. According to the information and explanations given to us and based us on our examination of the records of the company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicabel accounting standards.
- xiv. The Company has not made any preferential allotment of private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

For P. Murali & Co.,
Chartered Accountants
Firm Registration No 007257S

Place: Hyderabad
Date: 30-05-2017

P. Murali Mohana Rao
Partner
M.No. 023412

Annexure B to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of Country Club Hospitality & Holidays Limited ('the company') as of 31st march 2017 in conjunction with our audit of standalone Ind AS financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted principles, and that receipts and expenditures

of the Company are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitation of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute Of Chartered Accountants of India.

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

Place: Hyderabad
Date: 30-05-2017

P. Murali Mohana Rao
Partner
M.No. 023412

BALANCE SHEET AS AT 31-03-2017

Amount in ₹

| Particulars | Note Nos. | As at 31-03-2017 | As at 31-03-2016 |
|------------------------------------|-----------|-----------------------|-----------------------|
| I. ASSETS | | | |
| 1. Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 1 | 6,880,721,392 | 7,211,759,749 |
| (ii) Intangible Assets | | 142,935,026 | 146,162,395 |
| (iii) Capital Work in progress | | 104,571,999 | 41,216,520 |
| (b) Non-Current Investments | 2 | 2,401,458,339 | 2,401,458,339 |
| (c) Long-Term Loans and Advances | 3 | 1,264,459,848 | 1,258,554,296 |
| 2. Current Assets | | | |
| (a) Current Investments | 4 | 125,000 | 1,125,000 |
| (b) Inventories | 5 | 29,317,587 | 20,114,612 |
| (c) Trade Receivables | 6 | 59,949,925 | 56,456,904 |
| (d) Cash and Cash Equivalents | 7 | 86,210,792 | 107,583,665 |
| (e) Short-Term Loans and Advances | 8 | 257,573,082 | 257,016,577 |
| (f) Other Current Assets | 9 | 36,016,308 | 31,360,682 |
| TOTAL | | 11,263,339,298 | 11,532,808,739 |
| II. EQUITY AND LIABILITIES | | | |
| 1. Shareholders Funds | | | |
| (a) Share Capital | 10 | 326,929,470 | 326,929,470 |
| (b) Reserves & Surplus | 11 | 6,271,931,240 | 6,463,203,382 |
| 2. Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 12 | 2,994,056,306 | 2,933,569,826 |
| (b) Deferred Tax Liabilities (Net) | 13 | 751,328,269 | 672,315,290 |
| (c) Other Long Term Liabilities | 14 | 7,981,742 | 7,671,498 |
| 3. Current Liabilities | | | |
| (a) Trade Payables | 15 | 158,160,090 | 174,390,365 |
| (b) Other Current Liabilities | 16 | 457,329,047 | 595,871,048 |
| (c) Short-Term Provisions | 17 | 295,623,134 | 358,857,860 |
| TOTAL | | 11,263,339,298 | 11,532,808,739 |

Significant Accounting Policies & Notes to Financial Statements 1 to 38

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 HOSPITALITY & HOLIDAYS LIMITED

P.Murali Mohana Rao
Partner
Membership No.23412

Y.Rajeev Reddy
Chairman & Managing Director

Y.Siddharth Reddy
Vice-Chairman, JMD & CEO

Place: Hyderabad
Date: 30-05-2017

K.Phaneendra Rao
Chief Financial Officer

V.Sreelatha
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-03-2017

Amount in ₹

| Particulars | | Note Nos. | Year Ended 31-03-2017 | Year Ended 31-03-2016 |
|-------------|--|-----------|--------------------------|--------------------------|
| I. | INCOME | | | |
| | Revenue From Operations | 18 | 2,566,681,157 | 2,810,620,404 |
| | Other Income | 19 | 37,201,949 | 122,236,880 |
| | TOTAL REVENUE | | 2,603,883,106 | 2,932,857,284 |
| II. | EXPENDITURE | | | |
| | Cost of Material Consumed | 20 | 113,084,509 | 109,780,212 |
| | Employee Benefit Expenses | 21 | 1,026,430,029 | 1,110,648,328 |
| | Finance Cost | 22 | 355,789,408 | 398,469,431 |
| | Depreciation and Amortisation Expenses | 1 | 192,430,590 | 197,111,464 |
| | Other Expenses | 23 | 986,240,656 | 1,135,335,125 |
| | TOTAL EXPENDITURE | | 2,673,975,192 | 2,951,344,560 |
| III. | PROFIT | | | |
| | Profit / Loss Before Tax (1-2) | | (70,092,086) | (18,487,276) |
| | Tax Expense: | | | |
| | - Current Tax | | - | - |
| | - Deferred Tax | | 79,012,979 | 95,995,156 |
| | Profit/(Loss) for the Year | | (149,105,065) | (114,482,432) |
| | Earning Per Share | | | |
| | - Basic | | (0.91) | (0.70) |
| | - Diluted | | (0.91) | (0.70) |

Significant Accounting Policies & Notes to Financial Statements 1 to 38

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: 30-05-2017

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

Y.Rajeev Reddy
Chairman & Managing Director

Y.Siddharth Reddy
Vice-Chairman, JMD & CEO

K.Phaneendra Rao
Chief Financial Officer

V.Sreelatha
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

Amount in ₹

| Particulars | Current Year | Previous Year |
|--|----------------------|----------------------|
| 1. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Profit Before Tax | (70,092,086) | (18,487,276) |
| Adjustments for :- | | |
| Depreciation | 192,430,590 | 197,111,464 |
| Interest Paid | 355,789,408 | 398,469,431 |
| Excess amount charged in Reserves and Surplus | (42,167,078) | (28,803,316) |
| Excess amount charged in Deferred Tax Liability | - | - |
| Interest Income | (873,191) | (1,204,434) |
| Operating Cash Flow before Working Capital Changes | 435,087,643 | 547,085,869 |
| (Increase) / Decrease in Inventory | (9,202,975) | (941,442) |
| (Increase) / Decrease in Trade Receivables | (3,493,021) | 4,746,032 |
| (Increase) / Decrease in Short Term Loans & Advances | (556,505) | (16,243,356) |
| (Increase) / Decrease in Other Current Assets | (4,655,626) | 1,727,656 |
| (Increase) / Decrease in Current Investments | 1,000,000 | - |
| Increase / (Decrease) in Deferred Income(Current) | - | - |
| Increase / (Decrease) in Trade Payables | (16,230,275) | 7,312,775 |
| Increase / (Decrease) in Other Current Liabilities | (138,542,001) | 214,793,569 |
| Increase / (Decrease) in Short Term Provisions | (63,234,726) | (14,323,874) |
| CASH GENERATED FROM OPERATIONS | 200,172,514 | 744,157,229 |
| Add: Prior Period Expenses | - | - |
| Less: Income Tax Paid | - | - |
| CASH GENERATED FROM OPERATING ACTIVITIES | 200,172,514 | 744,157,229 |
| 2. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase/Sale of fixed Assets | 141,835,135 | (168,193,041) |
| Capital Work in Progress, Pre-operative Expenses | (63,355,477) | 80,781,285 |
| Interest Income | 873,191 | 1,204,434 |
| (Increase) / Decrease in Long Term Loans & Advances | (5,905,552) | 101,818,138 |
| NET CASH AVAILABLE FROM INVESTING ACTIVITIES | 73,447,297 | 15,610,816 |
| 3. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Proceeds From Issue of Equity Shares | - | - |
| Proceeds/(Repayment) of Loan | 60,486,480 | (383,893,337) |
| Share Premium and Capital Reserve | - | - |
| Interest Paid | (355,789,408) | (398,469,431) |
| Increase / (Decrease) in Other Long Term Liabilities | 310,244 | (2,150,000) |
| Proceeds/(Repayment) of Membership Fees | - | - |
| NET CASH USED IN FINANCING ACTIVITIES | (294,992,684) | (784,512,768) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS(I+II+III) | (21,372,873) | (24,744,723) |
| Opening Balance of Cash & Cash Equivalents | 107,583,665 | 132,328,388 |
| Closing Balance of Cash & Cash Equivalents | 86,210,792 | 107,583,665 |

As per our report of even date

For P.Murali & Co.,

Chartered Accountants

FRN:007257S

P.Murali Mohana Rao

Partner

Membership No.23412

Y.Rajeev Reddy

Chairman & Managing Director

Y.Siddharth Reddy

Vice-Chairman, JMD & CEO

Place: Hyderabad

Date: 30-05-2017

K.Phanendra Rao

Chief Financial Officer

V.Sreelatha

Company Secretary

NOTE NO.1: FIXED ASSETS

{SLIM METHOD} Amount in ₹

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|----------------------------|----------------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|-------------------------------|----------------------------|----------------------------|
| | GROSS BLOCK AS ON 1-4-2016 | ADDITIONS During The year | DELETIONS during the year | GROSS BLOCK As on 31-3-2017 | DEPRECIATION Upto 31-3-2016 | DEPRECIATION During the year | DELETION dep during the year | DEPRECIATION As on 31-03-2017 | NET BLOCK As on 31-03-2017 | NET BLOCK As on 31-03-2016 |
| Tangible Assets | | | | | | | | | | |
| Land & Site Development | 551,706,470 | 73015 | 116,809,929 | 434,969,556 | | | | - | 434,969,556 | 551,706,470 |
| Building | 7,205,805,533 | | 9,474,807 | 7196,330,726 | 1,176,521,811 | 113,793,077 | 3,018,451 | 1,287,296,437 | 5,909,034,289 | 6029,283,722 |
| Furniture & Fixtures | 352,053,302 | 8,479,095 | 61,164,137 | 299,368,260 | 80,930,114 | 34,966,637 | 27,442,941 | 88,453,810 | 21,091,4450 | 271,123,188 |
| Plant & Machinery | 523,726,811 | 10,048,591 | 10,921,200 | 522,854,202 | 182,223,243 | 32,795,203 | 7,341,010 | 207,677,436 | 315,176,766 | 341,503,568 |
| Computers | 37,697,484 | 4,327,012 | - | 42,024,496 | 31,653,661 | 5,199,841 | - | 36,853,502 | 5,170,994 | 6,043,823 |
| Vehicles | 24,388,445 | 75,739 | 17,438,496 | 7,025,688 | 12,289,467 | 828,637 | 11,547,753 | 1,570,351 | 5,455,337 | 12,098,978 |
| Total - A | 8,695,378,045 | 23,003,452 | 215,808,569 | 8,502,572,928 | 1,483,618,296 | 187,583,395 | 49,350,155 | 1,621,851,536 | 6,880,721,392 | 7,211,759,749 |
| Previous Year | 8,576,381,061 | 255,670,865 | 136,673,881 | 8,695,378,045 | 1,339,393,000 | 188,927,795 | 44,702,499 | 1,483,618,296 | 7,211,759,749 | 7,236,988,061 |
| Intangible Assets | | | | | | | | | | |
| Goodwill | 141,816,525 | | | 141,816,525 | | | | - | 141,816,525 | 14,1816,525 |
| Software & Development | 27,405,394 | 1,619,826 | | 29,025,220 | 23,059,524 | 4,847,195 | - | 27,906,719 | 1,118,501 | 4,345,870 |
| Total - B | 169,221,919 | 1,619,826 | - | 170,841,745 | 23,059,524 | 4,847,195 | - | 27,906,719 | 142,935,026 | 146,162,395 |
| Previous Year | 164,770,293 | 4,557,276 | 105,650 | 169,221,919 | 14,917,787 | 8,183,669 | 41,932 | 23,059,524 | 146,162,395 | 149,852,506 |
| Grand Total - A + B | 8,864,599,964 | 24,623,278 | 215,808,569 | 8,673,414,673 | 1,506,677,820 | 192,430,590 | 49,350,155 | 1,640,758,255 | 7,023,656,418 | 7,357,922,143 |
| Total Previous Year | 8,741,151,354 | 260,228,141 | 136,779,531 | 8,864,599,964 | 1,354,310,787 | 197,111,464 | 44,744,431 | 1,506,677,820 | 7,357,922,143 | 7,386,840,566 |

NOTES TO BALANCE SHEET

NOTE NO. 2 : NON-CURRENT INVESTMENTS

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|---|----------------------|----------------------|
| Long Term Investments (At Cost, Un Quoted) | | |
| Investment in Equity Shares of Subsidiaries (Non Trade Fully Paid Up) | 2,396,568,339 | 2,396,568,339 |
| Investment in Preference Shares of Subsidiaries (Non Trade Fully Paid Up) | 4,890,000 | 4,890,000 |
| | 2,401,458,339 | 2,401,458,339 |

NOTE NO. 3 : LONG - TERM LOANS AND ADVANCES

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|--|----------------------|----------------------|
| Unsecured Considered Good | | |
| Capital advance | 91,359,161 | 98,087,266 |
| Security Deposit | 201,976,777 | 191,626,546 |
| Loans and Advances to Related Parties | | |
| Advances given to Subsidiary Companies | 959,338,210 | 959,984,110 |
| Other loans And advances | 11,785,700 | 8,856,374 |
| | 1,264,459,848 | 1,258,554,296 |

NOTE NO. 4 : CURRENT INVESTMENTS

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|--------------------------------------|---------------------|---------------------|
| Investment-The Saraswat Coop Bank | 25,000 | 25,000 |
| Investment-CANARA ROBECO Mutual Fund | - | 1,000,000 |
| Investment-The Cosmos Coop Bank | 100,000 | 100,000 |
| | 125,000 | 1,125,000 |

NOTE NO. 5 : INVENTORIES

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|---|---------------------|---------------------|
| Inventories (at lower of cost & net realisable value) | | |
| Stores: Food, Beverages, Smokes & Operating Supplies | 4,873,867 | 4,774,022 |
| Gifts | 24,443,720 | 15,340,590 |
| | 29,317,587 | 20,114,612 |

NOTE NO. 6 : TRADE RECEIVABLES

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|--|---------------------|---------------------|
| Receivables outstanding for more than six months from the date they are due for payment Unsecured & Considered Good | 1,852,134 | 4,369,292 |
| Receivables outstanding for more than six months from the date they are due for payment Unsecured & Considered Good | 58,097,791 | 52,087,612 |
| | 59,949,925 | 56,456,904 |

NOTE NO. 7 : CASH AND CASH EQUIVALENTS

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|--|-----------------------------|-----------------------------|
| Cash on hand | 4,128,468 | 3,199,051 |
| Balances with banks : | | |
| - Current Accounts | 61,017,011 | 71,252,387 |
| - Fixed Deposits - with maturity of less/more than | 19,795,209 | 31,859,723 |
| Earmarked Accounts | | |
| - Unpaid Dividend Accounts | 1,270,104 | 1,272,504 |
| | 86,210,792 | 107,583,665 |

NOTE NO. 8 : SHORT TERM LOANS AND ADVANCES

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|---|-----------------------------|-----------------------------|
| Advance to Suppliers | 2,421,972 | 2,283,079 |
| Loans and Advances to Employees | 3,879,961 | 5,496,483 |
| Advances Recoverable in Cash or Kind - (Unsecured, Considered Good) | 195,429,862 | 193,963,978 |
| Advances with Statutory Authorities | 55,841,287 | 55,273,037 |
| | 257,573,082 | 257,016,577 |

NOTE NO. 9 : OTHER CURRENT ASSETS

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|--------------------------------|-----------------------------|-----------------------------|
| VAT Receivables | 8,723,286 | 7,663,789 |
| TDS/TCS Receivables | 8,847,298 | 7,542,075 |
| Prepaid Expenses | 4,946,156 | 3,838,951 |
| Service Tax Credit Receivables | 13,499,568 | 12,315,867 |
| | 36,016,308 | 31,360,682 |

NOTE NO. 10 : SHARE CAPITAL

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|---|---------------------|---------------------|
| Authorised Capital 220000000 Equity Shares (Previous Year 220000000 Equity Shares) | 440,000,000 | 440,000,000 |
| Issued, Subscribed & Fully Paid up: 163464735 Equity Shares (Previous Year 163464735 Equity Shares) | 326,929,470 | 326,929,470 |
| | 326,929,470 | 326,929,470 |
| Par Value per Share | 2 | 2 |

Notes:

3 a. Terms /rights attached to equity shares.

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

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

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

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

| Name of the Shareholder | As at 31-03-2017 | As at 31-03-2016 |
|-------------------------|---------------------|---------------------|
| Y.Rajeev Reddy | | |
| - No of Shares | 106,337,986 | 106,337,986 |
| - % held in the Company | 65.05 | 65.05 |

NOTE NO. 11 : RESERVES AND SURPLUS

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|---|---------------------|---------------------|
| Capital Reserve | | |
| As per last year Balance Sheet | 305,088,694 | 305,088,694 |
| | 305,088,694 | 305,088,694 |
| Securities Premium Account | 4,962,471,969 | 4,962,471,969 |
| Revaluation Reserve | 24,270,350 | 24,270,349 |
| General Reserve | | |
| As per last year Balance Sheet | 83,300,000 | 83,300,000 |
| Add: Transfer from statement of Profit and Loss account | - | - |
| | 83,300,000 | 83,300,000 |
| Surplus: | | |
| Surplus in Statement of Profit and Loss | | |
| As per last year Balance Sheet | 1,088,072,370 | 1,231,358,118 |
| Amount transferred to Retained Earnings in pursuant of Schedule II to The Companies Act, 2013 | (42,167,078) | (28,803,316) |

| | | |
|---------------------------------------|----------------------|----------------------|
| Add: Current year Profit/(Loss) | (149,105,065) | (114,482,432) |
| Surplus in Statement of Profit & Loss | 896,800,227 | 1,088,072,370 |
| Total Reserves and Surplus | 6,271,931,240 | 6,463,203,382 |

NOTE NO. 12 : LONG - TERM BORROWINGS

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|---|----------------------|----------------------|
| Secured | | |
| Term loans From Banks | | |
| - Oriental Bank of Commerce Loan | 75,625,613 | 76,806,906 |
| - Oriental Bank of Commerce Loan (Secured by way of Hypothecation of Land & Buildings) | 30,495,313 | 36,398,870 |
| - UBI Loan (Secured by way of Hypothecation of Land & Buildings) | 384,376,130 | 388,168,828 |
| - Vijaya Bank Loan (Secured by way of Hypothecation of Land & Buildings) | 282,321,188 | 284,792,637 |
| - Bank of India Loan (Secured by way of Hypothecation of Land & Buildings) | 157,842,125 | 171,758,145 |
| - Central Bank of India | | 347,266,886 |
| - Central Bank Of India-3547734960 | 30,178,794 | - |
| - Central Bank Of India-3547726552 (Secured by way of Hypothecation of Land & Buildings) | 433,207,806 | - |
| - Canara Bank (Secured by way of Hypothecation of Land & Buildings) | 448,470,458 | 401,992,630 |
| - Saraswat Co Op Bank Loan I | 74,373,860 | 81,960,513 |
| - Saraswat Co Op Bank Loan II (Secured by way of Hypothecation of Land & Buildings) | 361,249,594 | 404,859,869 |
| - Cosmos Bank Loan I | 42,940,546 | 53,513,661 |
| - Cosmos Bank Loan II | 57,482,500 | 71,822,077 |
| - Cosmos Bank Loan III (Secured by way of Hypothecation of Land & Building) | 184,640,567 | 207,102,316 |
| | 2,563,204,494 | 2,526,443,338 |
| Unsecured | | |
| Loans and Advances From Related Parties | | |
| - Country Vacations International Limited - Dubai | 274,402,252 | 270,176,928 |
| - Country Vacations International Limited - India | 2,427,401 | 2,427,401 |
| - Loan from Promoters | 154,022,159 | 134,522,159 |
| | 430,851,812 | 407,126,488 |
| | 2,994,056,306 | 2,933,569,826 |

NOTE NO. 13 : DEFERRED TAX LIABILITIES (NET)

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|---|---------------------|---------------------|
| Opening Deferred tax Liability | 672,315,290 | 576,320,134 |
| Add: Deferred Tax Liability for the year (Due to SLM and WDV Difference) | 79,012,979 | 95,995,156 |
| | 751,328,269 | 672,315,290 |

NOTE NO. 14 : OTHER LONG-TERM LIABILITIES

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|-------------|---------------------|---------------------|
| Unsecured | | |
| Deposits | 7,981,742 | 7,671,498 |
| | 7,981,742 | 7,671,498 |

NOTE NO. 15 : TRADE PAYABLES

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|---|---------------------|---------------------|
| Total Outstanding Dues to Micro and Small Enterprises | | |
| Others | 158,160,090 | 174,390,365 |
| | 158,160,090 | 174,390,365 |

NOTE NO.16 : OTHER CURRENT LIABILITIES

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|--------------------------------------|---------------------|---------------------|
| Current Maturities of Long-Term Debt | 248,294,430 | 321,069,086 |
| Advance Received from Customers | 3,906,859 | 2,494,013 |
| Unpaid Dividends | 1,265,179 | 2,028,339 |
| Dues to Statutory Authorities | 135,345,366 | 173,629,801 |
| Other Liabilities | 59,338,768 | 66,868,750 |
| Creditors for Capital Goods | 9,178,445 | 29,781,059 |
| | 457,329,047 | 595,871,048 |

NOTE NO.17 : SHORT - TERM PROVISIONS

Amount in ₹

| Particulars | As at 31-03-2017 | As at 31-03-2016 |
|--|---------------------|---------------------|
| Provision for Employee Benefits | | |
| - Salaries Payable (Includes Incentives) | 187,784,440 | 198,171,316 |
| - PF Payable | 7,030,939 | 15,870,382 |
| - ESIC Payable | 2,868,484 | 11,813,482 |
| - PT Payable | 5,366,017 | 4,752,221 |
| Others | | |
| - Consultancy & Professional Charges Payable | 3,465,145 | 2,415,145 |
| - Provision for Expenses | 89,108,109 | 125,835,314 |
| | 295,623,134 | 358,857,860 |

NOTES TO STATEMENT OF PROFIT & LOSS
NOTE NO. 18 : REVENUE FROM OPERATIONS

Amount in ₹

| Particulars | Year Ended 31-03-2017 | Year Ended 31-03-2016 |
|--|--------------------------|--------------------------|
| Sales of Services | | |
| Income from Sale of Membership, Vacation Ownership & Guest Accommodation & Training/Coaching in recreational activities relating to art,Culture & Sports,Fitness | 1,803,184,680 | 2,140,920,663 |
| Income from Hotel,Clubs & Resorts | | |
| - Food & Beverages from Restaurant & Banquets | 223,711,502 | 206,117,758 |
| Annual Subscription Fee | 539,784,975 | 463,581,983 |
| | 2,566,681,157 | 2,810,620,404 |

NOTE NO. 19 : OTHER INCOME

Amount in ₹

| Particulars | Year Ended 31-03-2017 | Year Ended 31-03-2016 |
|-------------------------|--------------------------|--------------------------|
| Interest Income | | |
| - On Deposits with Bank | 873,191 | 1,204,434 |
| Miscellaneous Income | 36,328,758 | 121,032,446 |
| | 37,201,949 | 122,236,880 |

NOTE NO. 20 : COST OF MATERIAL CONSUMED

Amount in ₹

| Particulars | Year Ended 31-03-2017 | Year Ended 31-03-2016 |
|--|--------------------------|--------------------------|
| Opening Stock of Food & Bevarages, Stores and Operating Supplies | 4,774,022 | 3,399,846 |
| Add: Purchases | 113,184,354 | 111,154,388 |
| Less: Closing Stock of Food & Bevarages, Stores and Operating Supplies | 4,873,867 | 4,774,022 |
| | 113,084,509 | 109,780,212 |

NOTE NO. 21 : EMPLOYEE BENEFIT EXPENSES

Amount in ₹

| Particulars | Year Ended 31-03-2017 | Year Ended 31-03-2016 |
|---|--------------------------|--------------------------|
| Salaries & Other Benefits | 982,281,157 | 1,047,605,917 |
| Contribution to Provident & Other Funds | 24,442,151 | 38,618,133 |
| Staff Welfare Expenses | 19,706,721 | 24,424,278 |
| | 1,026,430,029 | 1,110,648,328 |

NOTE NO. 22 : FINANCE COST

Amount in ₹

| Particulars | Year Ended 31-03-2017 | Year Ended 31-03-2016 |
|------------------------|--------------------------|--------------------------|
| Interest on Term Loans | 355,789,408 | 398,469,431 |
| | 355,789,408 | 398,469,431 |

NOTE NO. 23 : OTHER EXPENSES

Amount in ₹

| Particulars | Year Ended 31-03-2017 | Year Ended 31-03-2016 |
|--|----------------------------------|----------------------------------|
| Upkeep & Service Cost | | |
| - Building Maintenance | 5,533,064 | 3,691,067 |
| - Repairs, Maintenance to other assets. | 9,505,942 | 10,940,575 |
| - Vehicle Maintenance & Running Exp. | 2,530,935 | 2,985,209 |
| - Other Maintenance | 55,020,042 | 50,464,636 |
| Power & Fuel | 90,954,086 | 93,450,469 |
| Rent including Lease Rent | 252,516,562 | 263,897,581 |
| Rates & Taxes | 36,074,226 | 46,177,877 |
| Insurance | 1,140,990 | 3,221,522 |
| Finance Charges | 52,652,059 | 77,192,202 |
| Travelling & Conveyance | 50,297,908 | 51,993,362 |
| Printing & Stationery | 21,161,421 | 21,486,008 |
| Postage, Telegram & Telephones | 57,908,050 | 68,555,333 |
| Advertisement & Other Marketing Expenses | 220,777,958 | 296,029,248 |
| Other Administrative Expenses | 102,026,657 | 116,332,753 |
| Legal & Professional Charges. | 27,140,756 | 27,917,283 |
| Auditors Remuneration Includes | | |
| - Audit Fee | 500,000 | 500,000 |
| - For Taxation Matters | 200,000 | 200,000 |
| - For Other Services | 300,000 | 300,000 |
| | 986,240,656 | 1,135,335,125 |

SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information

Country Club Hospitality & Holidays Limited formerly known as Country Club (India) Limited ('The Company') is a public entity domiciled in India and India's biggest chain of family clubs with over 70 destinations across India, Srilanka, Middle East, Malaysia, Singapore, Thailand and Philippines. It is dubbed as the Power House of Entertainment. Its Shares are listed on NSE & BSE.

2. Basis of preparation

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

(i) Compliance with IndAS

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

The financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

(ii) Historical cost convention

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

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

2.1 First Time Adoption of Ind-AS

Transition to Ind AS

These are the company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2.2 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

2.2 Summary of significant accounting policies

I. Significant Accounting Estimates and Judgments

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

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

Use of estimation and assumptions

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

Property, plant and equipment & Intangible Assets

Key estimates related to long-lived assets (property, plant and equipment, mineral leaseholds and intangible assets) include useful lives, recoverability of carrying values and the existence of any retirement obligations. As a result of future decisions, such estimates could be significantly modified. The estimated useful lives of long-lived assets is applied as per schedule II of Companies Act, 2013 and estimated based upon our historical experience, engineering estimates and industry information. These estimates include an assumption regarding periodic maintenance and an appropriate level of annual capital expenditures to maintain the assets.

Impairment of plant & equipment and Intangible assets

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

Expected credit loss

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

II. Property, Plant and Equipment

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

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

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

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

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

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

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

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

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

Depreciation

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

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

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

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

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

III. Intangible Assets

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

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

Financial Assets

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

Initial recognition:

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

Subsequent Measurement:

- (i) Financial assets measured at amortised cost:

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

Impairment of Financial Assets:

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

- (i) Trade Receivables

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

(ii) Other financial assets

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

De-recognition of financial assets

A financial asset is derecognized only when:

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

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

IV. Impairment of Non-Financial Assets

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

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

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

V. Inventories

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

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

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

VI. Cash and Cash equivalents

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

VII. Non-current Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of the disposal group, are re-measured in accordance with the Company's accounting policies. Thereafter, the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment losses on initial classification as held for sale

or subsequent gain on re-measurement are recognized into net income. Gains are not recognized in excess of any cumulative impairment losses.

VIII. Financial Liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

IX. Borrowing Costs

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

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

X. Employee Benefits

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

- Compensated absences are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.
- The amount of Non-current and Current portions of employee benefits is classified as per the actuarial valuation at the end of each financial year.

XI. Income Taxes

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

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

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

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

XII. Leases

As a lessee

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

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

As a lessor

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

Lease-hold land:

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

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

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

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

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

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

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

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

Contingent Liabilities

Contingent liability is disclosed in case of

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

Contingent Assets

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

XIV. Revenue Recognition

The Company's business is to sell Club ownership, provide holiday facilities, accommodation services, Training/ Coaching in recreational activities relating to art, culture & sports, fitness training and clubbing to its members for a specified period, for which membership fee is collected either in full up front, or on deferred payment basis. Revenue from Membership fees which is non refundable is recognized as income on admission of a member. Requests for cancellation of membership are accounted for when it is accepted by the company.

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

XV. Foreign Currency Transactions

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

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

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

XVII. Minimum Alternative Tax (MAT)

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

XVII. Earnings per Share

Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

NOTES TO THE FINANCIAL STATEMENTS

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

Amount in ₹

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

25. Particulars relating to managing director

Amount in ₹

| Particulars | Current Year | Previous year |
|-------------------------|---------------------|----------------------|
| Directors' Remuneration | 96,00,000 | 96,00,000 |
| Brand Ambassador Fee | 48,00,000 | 48,00,000 |

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

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

27. Earnings and Expenditure in Foreign Currency
a. Foreign Currency expenditure/inflow as follows

| Particulars | Current Year | Previous year |
|--------------------|--------------|---------------|
| Subsidiary Company | - | (236302761) |
| Total Netflow | - | (236302761) |

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

29. In accordance with Accounting Standard issued by the ICAI, the Company has accounted for deferred tax and income tax as given below:

Amount in ₹

| Particulars | Current Year | Previous Year |
|--------------|--------------|---------------|
| Income Tax | - | - |
| Deferred Tax | 7,90,12,979 | 9,59,95,156 |

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

A.

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

B. Transactions during the year with Related Parties.

Amount in ₹

| Nature of Transaction | Subsidiary Companies including Step-Down Subsidiaries | Associate Companies | Other Related Parties |
|------------------------|---|---------------------|-----------------------|
| Lease Rentals payable | 15,00,000 | 7,20,000 | 57,73,620 |
| Directors Remuneration | - | - | 96,00,000 |
| Brand Ambassador fee | - | - | 48,00,000 |

31. The Basic and Diluted EPS is Calculated as under

| Particulars | 31 st March, 2017 | 31 st March, 2016 |
|---|------------------------------|------------------------------|
| a) Profit after Tax (₹) | (14,91,05,065) | (11,44,82,432) |
| b) Earnings available to Equity Shareholders for Basic & Diluted EPS (₹) | (14,91,05,065) | (11,44,82,432) |
| c) Weighted average Number of Shares taken for computation of EPS - Basic - Diluted | 16,34,64,735 | 16,34,64,735 |
| d) Earning per Share - Basic - Diluted | (0.91) (0.91) | (0.70) (0.70) |
| e) Nominal Value per Share (₹) | 2 | 2 |

32. Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, The denomination wise SBNs and other notes as per the notification is given below:

| | SBNs | Other denomination notes | Total |
|---------------------------------------|-----------|--------------------------|-----------|
| Closing cash on hand as on 08.11.2016 | 7,047,000 | 968,421 | 8,015,421 |
| (+) Permitted receipts | - | 33,36,000 | 33,36,000 |
| (-) Permitted payments | - | 18,56,745 | 18,56,745 |
| (-) Amount deposited in Banks | 7,047,000 | 250 | 70,47,250 |
| Closing cash on hand as on 30.12.2016 | - | 2,447,426 | 2,447,426 |

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E). dated the November 8, 2016.

33. Contingent Liabilities:

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

According to the information and explanations given to us and based on the records of the company examined by us, the Company has disputed Income Tax dues amounting to ₹10,25,46,436 which belongs to various Assessment Years which has not been deposited on account of disputes.:

34. Secured Loans:**From Banks**

- a) Term Loans from Oriental Bank of Commerce, Loans I & II of ₹25 crores for expansion of existing Clubs and secured by The Country Club (EROS Regency) situated at land Bearing killa no. 2,9,10/1,10/2 & 11/4 at village

lakarpur, EROS Regency Township, Surajkund, Faridabad, Harayana. The Outstanding Balance for the Current year is ₹11,50,96,926/- (Previous Year ₹12,10,60,776/-)

- b) Term Loans from Union Bank of India, Vijaya Bank and Bank of India of ₹.115 crores has been taken for repayment of FCCB's and secured by way of properties located in Hyderabad, Banglore, Chennai and Kodaikanal. Further, the charge has been created on Delhi & Karnataka cash flows for servicing of the above loan. Additionally, the personal guarantees has also been given by three Directors (i.e. Mr Y Rajeev Reddy, Y. Siddharth Reddy & Y. Varun Reddy). The Outstanding Balance for the Current year is ₹85,62,27,443/- (Previous Year ₹84,47,19,610/-).
- c) Term Loan from Central Bank of India of ₹50 Crores to carry out interior, Gym/Fitness Centres and Civil works of the Company's property at multiple locations. Further charge has been created on Company's properties (movable/immovable) at Bangalore, Trivandrum and Bandipur. Additionally, the personal guarantees are also given by three Directors (i.e. Mr. Y.Rajeev Reddy, Y. Siddharth Reddy & Y. Varun Reddy). The Outstanding (Including Interest) Balance for the Current year is ₹48,29,86,600/- (Previous Year ₹46,95,66,886/-).
- d) Term Loan from Canara Bank of ₹50 Crores for the Company's expansion plan at Kolkatta, Cochin and Andheri, Mumbai and normal ongoing capex at various locations. Further charge has been created on Company's properties (movable/immovable) at Kolkatta, Cochin and Andheri, Mumbai. Additionally, the personal guarantees are also given by three Directors (i.e. Mr Y Rajeev Reddy, Y. Siddharth Reddy & Y. Varun Reddy). The Outstanding (Including Interest) Balance for the Current year is ₹46,73,70,458/- (Previous Year ₹47,09,92,630/-).
- e) Term Loans from Saraswat Co Op Bank, Loan of ₹25 crores for expansion of existing Clubs and secured by way of mortgage by deposit of title deed immovable property being land and building known as Hotel Amrutha Castle Constructed on plot of land bearing municipal nos. 5-9-16, 5-9-17, snf 6-9-18 and adjoining plot and land bearing municipal nos. 5-9-19, and 5-9-18/3 situated at Saifabad, Secretarial Road Hyderabad solely belonging to the company. The Outstanding Balance for the Current year is ₹8,25,29,860/- (Previous Year ₹ 8,85,22,513/-)
- f) Term Loan from Saraswat Co Op Bank of ₹50 Crores secured by way of mortgage, by deposit of title deed of immovable property located at Country club Golden Star # 623,624 Next to Pramukh Swami Hospital Adajan, Surat - 395 009 owned by Club Arzee Ltd. ,immovable property at Country Club Resort, Plot No. 496, Bhuvan Village, Kolad, Dist. Raigad. owned by Amruta Estates Pvt. Ltd., immovable property, Hotel Amruta Castle, opp Secretariate, Saifabad, Hyderabad and additional charge on immovable property at The Country Club, Balamatta Road, Mangalore 575 001. belonging to the Company. The Outstanding Balance for the Current Year is ₹40,14,86,594/- (Previous Year ₹43,67,34,869/-).
- g) Term Loans from Cosmos Bank, Loan - I & II of ₹. 35 crores for expansion of existing Clubs and secured by "The Country Club De Goa" no.836/1, Anjuna, Bardez, Goa and "the Country Club Spring" situated at C.T.S no. 1104/03 of village Kandivali, parekh Nagar, Kandivali, Mumbai. The Outstanding Balance for the Current year is ₹16,40,73,863/- (Previous Year ₹15,04,18,738/-)
- h) Term Loan from Cosmos Bank, Loan of ₹25 Crores for refurbishment and modernization of its clubs located at Pune, Kolkatta, Goa and Indore, secured by way of additional charge on property located at "The Country Club De Goa" No.836/1, Anjuna Bardez, Goa owned by Aquarian Realtors Pvt. Ltd. and "The Country Club Spring" situated at C.T.S No. 1104/03 of village Kandivali, Parekh Nagar, Kandival owned by M/s Swami Vivekanand Training and Education Centre Pvt. Ltd and additional security by way of registered equitable mortgage on "Country Club Fun & Food", 7thKm, Khandwa Road, Kasturbaagram, Indore owned by the Company. The Outstanding Balance for the Current Year is ₹21,45,62,567/- (Previous Year ₹23,24,77,316/-).

Equipment Finance and Other Loans

- i) Equipment Finance & Other Loans from HDFC Bank Ltd of ₹ 21,54,000 & Religare Finvest Ltd, Loan of ₹4.25 Crores for Vehicles and for expansion of existing Clubs and the same were secured by way of hypothecation of the Vehicles & mortgage of Club Arzee Limited, Survey no.623 & 624/2 adujan, Surat, Gujarat respectively. The Outstanding Balance for the Current year is ₹Nil/- (Previous Year ₹38,54,472/-).

- j) Lease Finance Loan from NOIDA Authority of ₹2.37 Crores for Plot and the same is secured against the plot no. N-14, Sector-18, Noida, Uttar Pradesh. The Outstanding Balance for the Current year is ₹2,71,64,614/- (Previous Year ₹2,91,64,614/-).
35. It is difficult to identify segment wise profitability and Capital Employed considering that infrastructure is common for all the revenue activities of the Company.
36. Pertaining to unclaimed dividend, no amount is due and outstanding as unclaimed dividend for more than seven years to be transferred to Investor Education & Protection Fund.

| Particulars | Amount (₹) |
|--------------------------------------|------------|
| Unpaid Dividend for the year 2013-14 | 2,71,727 |
| Unpaid Dividend for the year 2012-13 | 2,69,231 |
| Unpaid Dividend for the year 2011-12 | 2,43,578 |
| Unpaid Dividend for the year 2010-11 | 2,33,626 |
| Unpaid Dividend for the year 2009-10 | 2,47,017 |

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

As per our report of even date

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

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

P.Murali Mohana Rao
Partner
Membership No.23412

Y.Rajeev Reddy
Chairman & Managing Director

Y.Siddharth Reddy
Vice-Chairman, JMD & CEO

Place: Hyderabad
Date: 30-05-2017

K.Phaneendra Rao
Chief Financial Officer

V.Sreelatha
Company Secretary

26th Annual General Meeting

Country Club Hospitality & Holidays Limited

CIN: L70102AP1991PLC012714

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

Form No. MGT-11

PROXY FORM

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

| | | | |
|------------------------|--|-----------------------------|--|
| Name of the member(s): | | E-mail Id: | |
| Registered Address | | Folio No/Client Id & DP Id: | |

I/We, being the Member/Members of _____ Shares of Country Club Hospitality & Holidays Limited, hereby appoint:

1) _____ of _____ having e-mail id _____ or failing him
2) _____ of _____ having e-mail id _____ or failing him
3) _____ of _____ having e-mail id _____ and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on Friday, 28th September, 2017 at 12:00 Noon at Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad - 500003 and at any adjournment thereof in respect of such resolutions as are indicated below:

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

| Res. No | DESCRIPTION | FOR | AGAINST |
|---------|--|-----|---------|
| 1 | Adoption of Audited Consolidated & Standalone Financial Statements and Reports thereon for the financial year ended 31st March, 2017 | | |
| 2 | To appoint a Director in place of Sri. Y. Rajeev Reddy, Director who retires by rotation and being eligible offers himself for re-appointment. | | |
| 3 | Appointment of M/s. Chandra Babu Naidu & Co., as Statutory Auditors of the Company | | |
| 4 | Revision in terms of remuneration payable to Sri. Y. Varun Reddy (DIN: 01905757), Vice-Chairman, JMD & COO: | | |
| 5 | Revision in terms of remuneration payable to Sri. Y. Siddharth reddy (DIN: 00815456), Vice-Chairman, JMD & CEO | | |

Signed this _____ day of _____ 2017

Signature of the Shareholder

Affix Re. 1
Revenue
Stamp and
Sign Across

Signature of first Proxy holder

Signature of Second Proxy holder

Signature of third Proxy holder

Notes:

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

26th Annual General Meeting

Country Club Hospitality & Holidays Limited

CIN: L70102AP1991PLC012714

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

ATTENDANCE SLIP

Date: 28th September, 2017

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

Time: 12:00 Noon

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

I certify that I am a registered shareholder of the Company, hold above-mentioned shares in the Company, and hereby record my present at the 26th Annual General Meeting of the Company to be held on 28th September, 2017 at Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad - 500 003.

Member's/Proxy signature

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

* Applicable for investors holding shares in electronic form.

..... **TEAR HERE** -----

Country Club Hospitality & Holidays Limited

CIN: L70102AP1991PLC012714

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

Tel: + 040-66848888, Fax: + 040-66360609; E-mail: contact@countryclubmail.com,

Website: www.countryclubindia.net

BALLOT FORM

Ballot Sr. No. _____

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

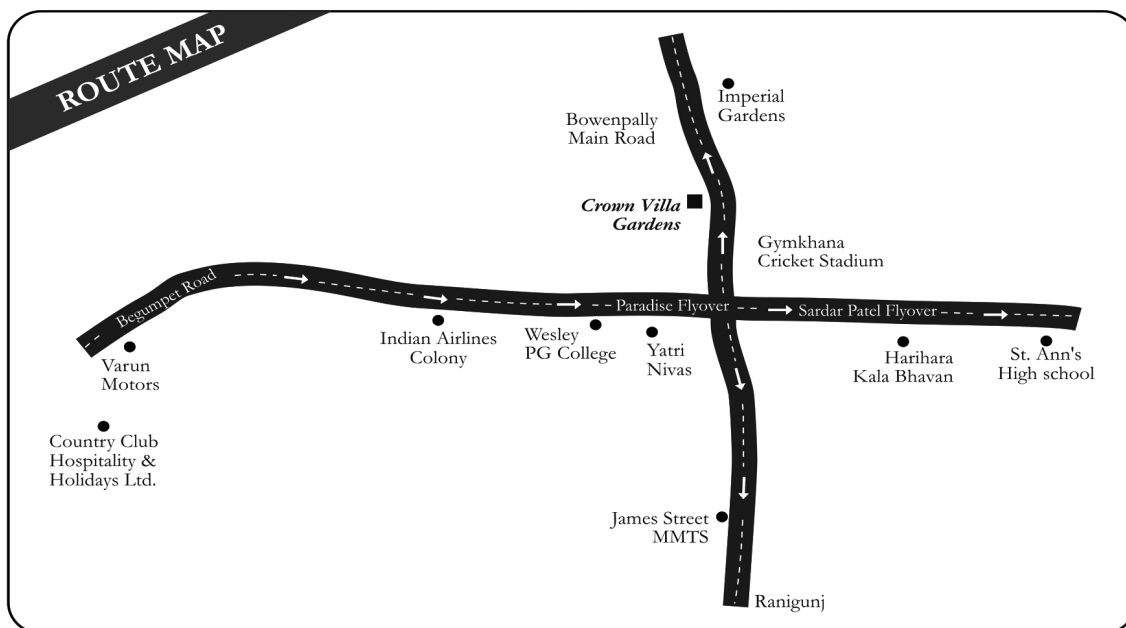
| Sl.No. | Description | Type of Resolution | I/We Assent to the resolution | I/We dissent to the resolution |
|--------|--|--------------------|-------------------------------|--------------------------------|
| 1 | Adoption of Audited Consolidated & Standalone Financial Statements and Reports thereon for the financial year ended 31 st March, 2017 | Ordinary | | |
| 2 | To appoint a Director in place of Sri. Y. Rajeev Reddy, Director who retires by rotation and being eligible offers himself for re-appointment. | Ordinary | | |
| 3 | Appointment of M/s. Chandra Babu Naidu & Co., as Statutory Auditors of the Company | Ordinary | | |
| 4 | Revision in terms of remuneration payable to Sri. Y. Varun Reddy (DIN: 01905757), Vice-Chairman, JMD & COO: | Special | | |
| 5 | Revision in terms of remuneration payable to Sri. Y. Siddharth reddy (DIN: 00815456), Vice-Chairman, JMD & CEO | Special | | |

Place:

Date:

Signature of the Shareholder (s)

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

If undelivered please return to:

Country Club Hospitality & Holidays Limited

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



why go anywhere else

www.countryclubindia.net