



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

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Why go anywhere else

www.countryclubindia.net

Forward-looking statement

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

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

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Refresh.
Rejuvenate.
Re-energise.

Many metaphors. One company.

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

vision

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

mission

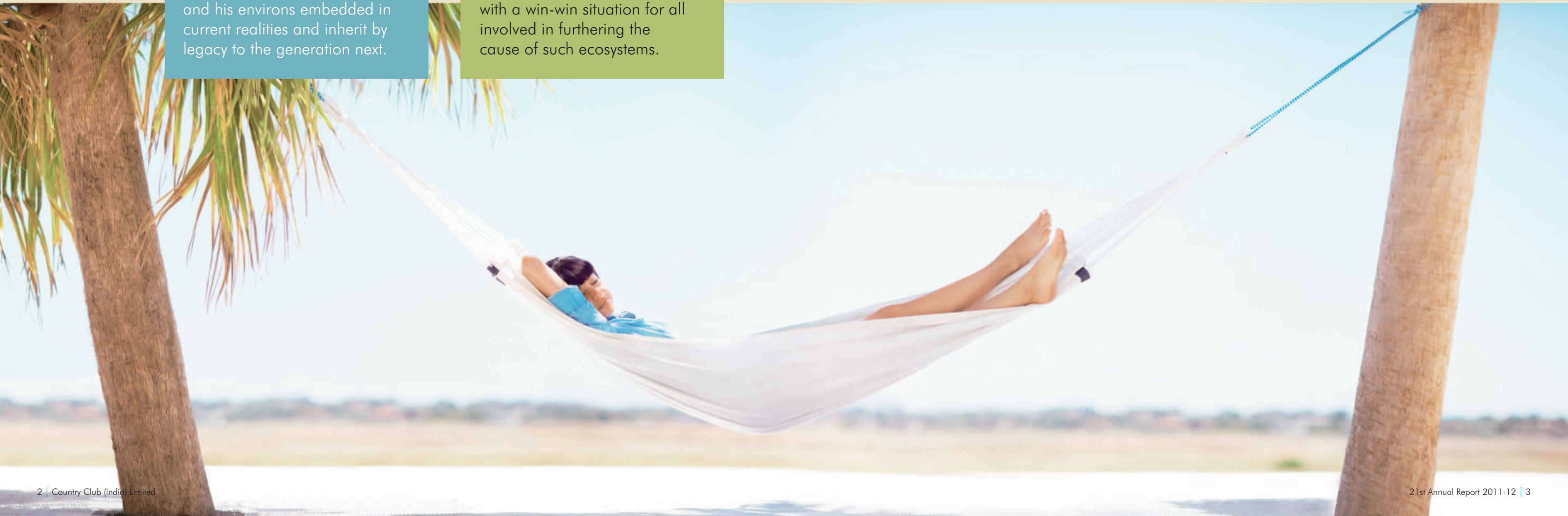
To deliver experiences that nurture relationships and contribute to a wholesome wellness lifestyle in a stress free, eco-friendly environment to the member community, with a win-win situation for all involved in furthering the cause of such ecosystems.

about us

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

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

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



Our pride

- We are the country's biggest chain of family clubs (recognized by the Limca Book of World Records)
- We are a company of 200,000 members comprising 650 corporate clients (Microsoft, Satyam Computers, Global Trust Bank, Brooke Bond Lipton (India) Ltd, CMC Ltd and Dr. Reddy's Laboratories Ltd. among others)
- Strategic zero-interest monthly installment collaborations with ICICI Bank, Citibank, Standard Chartered, SBI, HDFC Bank, Kotak Mahindra & Axis Bank for interested members.
- Guinness Book of World Records has recognized CCIL's Earth Hour social responsibility. Thus we can now call ourselves recognized by the Guinness Book of World Records.

Our geographical presence

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

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

Our offerings

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

Our luxurious destinations

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

milestones

1991

CCIL started its first club in Begumpet, Hyderabad

1995

Completed Hotel Amrutha Castle in Hyderabad

1997

Expanded into Bangalore (second metro)

2000

Entered into Chennai (third metro)

2001

Came to Mumbai (fourth metro)

2002

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

2005

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

2007

- CCIL entered Delhi (fifth metro), Ahmedabad (sixth metro) Pune (seventh metro) and Kolkata (eighth metro)
- CCIL launched city Clubs through CK 27 model
- CCIL launched its medical tourism venture through Country Spa

2008

Completed GDR issue/QIP issue

2009

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

2010

Entered into the consolidation phase with the acquisition of 3 subsidiaries and expansion to Abudhabi & Muscat

2011

International expansion to Bahrain & Qatar



rejuvenate

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

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

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

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

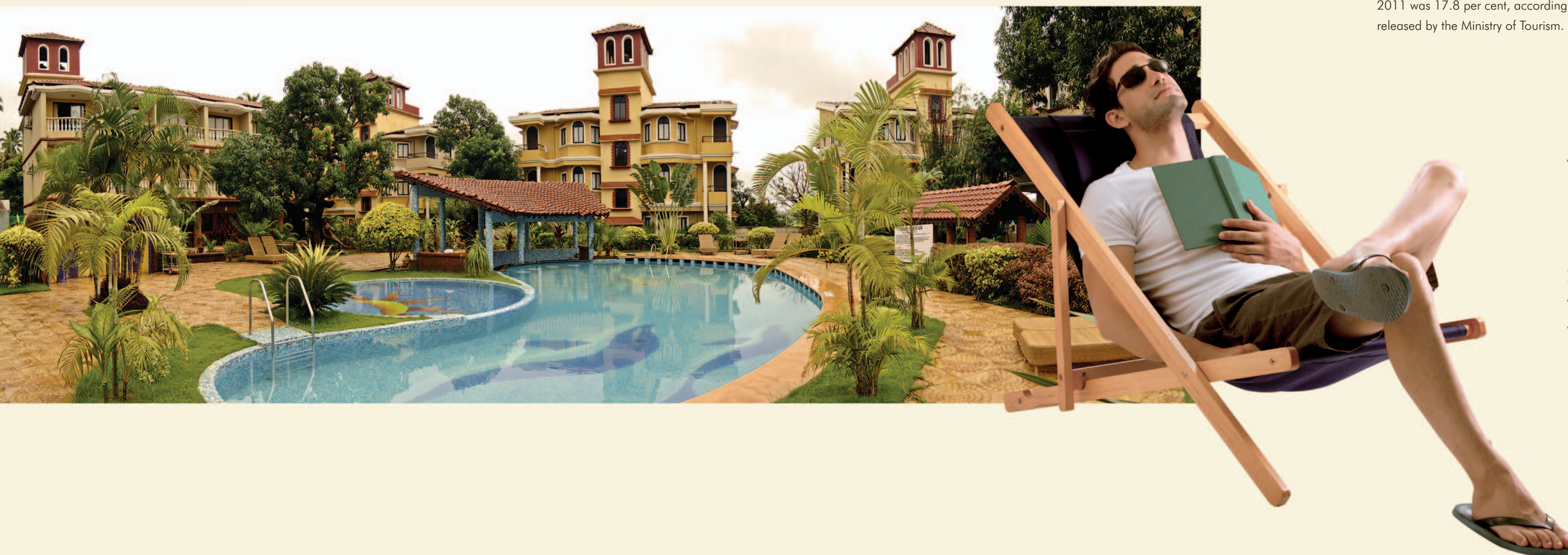
reach

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

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

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

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



realign

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

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

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

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



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



FROM THE MANAGEMENT’S DESK

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



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

Growth trends

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

- Foreign Tourist Arrivals (FTAs) during the Month of April 2012 was 452,000 as compared to FTAs of 438,000 during the month of April 2011.
- Indian medical tourism is a sunrise sector valued at more than US\$ 310 million. Currently, India receives more than 100,000 foreign patients a year. The number of medical tourists is anticipated to grow at a CAGR of over 19 per cent during the forecast period to reach 1.3 million by 2013.

Foreign Direct Investment

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

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

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

Government initiatives

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

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

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

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

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

Road ahead

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

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



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

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

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

Signed

Y Rajeev Reddy
CMD

Resplendent events at Country Club



Corporate Information

Board of Directors

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

Company Secretary : Shri S. Subba Rao

Contacts

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Hyderabad - 500 063

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Website: www.countryclubindia.net

Registrar and Share Transfer Agents

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Fax: +91 40 2763 2184
Website: www.aarhiconsultants.com
E-mail: info@aarhiconsultants.com

Auditor

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

Bankers

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

Listed on

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

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