



Why go anywhere else

COUNTRY CLUB

Hospitality & Holidays Limited

25th | Annual Report
2015-2016

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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

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

Phone: +91 40 2763 8111

+91 40 2763 4445

Fax: +91 40 2763 2184

Website: www.aarthiconsultants.com

E-mail: info@arthiconsultants.com

Auditor

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

Bankers

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 : Bombay Stock Exchange Limited, Mumbai
National Stock Exchange of India Limited, Mumbai

Book Closure Dates : 23rd September, 2016 to 30th September, 2016 (Both days inclusive)

COUNTRY CLUB HOSPITALITY & HOLIDAYS LIMITED

CIN: L70102AP1991PLC012714

NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the members of M/s. Country Club Hospitality & Holidays Limited will be held on Friday, the 30th day of September, 2016 at 11.00 A.M at Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad - 500 003 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt:
 - a. the audited Standalone financial statement of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon.
 - b. the audited Consolidated financial statement of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Y. Siddharth Reddy (DIN: 00815456), Director who retires by rotation and being eligible offers himself for re-appointment.
3. To ratify the appointment of M/s. P. Murali & Co., Chartered Accountants, Hyderabad (Registration No. 007257S) as statutory auditors of the Company till the conclusion of the 26th Annual General Meeting who were appointed at the Twenty Third Annual General Meeting of the Company, to hold office till the conclusion of 26th Annual General Meeting, at such remuneration, plus service tax as may applicable and reimbursement of actual out of pocket expenses as may be incurred in the performance of their duties, as the Board of Directors may fix in this behalf."

Special Business:

4. To re-appoint Sri Y. Varun Reddy (DIN: 01905757) as 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 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded to Re-appoint Sri Y. Varun Reddy (DIN: 01905757), as Vice-Chairman, JMD & Chief Operating Officer of the Company for a period of 5 (five) years with effect from 1st August, 2016, and at such remuneration perquisites and benefits for a period of 3 years from the date of re-appointment upto 31st July, 2019 on the following terms and conditions:

- A) Salary of Rs. 2,50,000/- (Rupees Two Lakhs Fifty 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.25,000/- 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) Leave travel concession for him will be allowed once in a year as may be decided by the Board.
- e) Fees of Club shall be reimbursed subject to the maximum of two clubs; Admission Fees and Life Membership Fees.
- f) Personal accident insurance – the premium of which shall not exceed Rs.10000/- per annum.
- g) Contribution to the provident fund, superannuation fund, annuity fund to the extent the same are not taxable under the Income Tax Act.
- h) Provision of Car with driver for use on Company's business and Mobile phone and Telephone at the residence.
- i) Gratuity is payable at a rate not exceeding Half Month Salary for each completed year of Service.
- j) Encashment of earned leave at the rate of 30 days per annum at the end of his tenure.
- II. 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.

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 authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. CONVERSION OF LOAN AVAILED FROM CANARA BANK INTO EQUITY SHARE CAPITAL:

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

"RESOLVED THAT pursuant to Section 62(3) and other applicable provisions, if any, of the Companies Act 2013 read with rules made thereunder and subject to all such approvals, permissions and sanctions as maybe necessary and subject to such condition(s) and modification(s) as may be prescribed or imposed, while granting such approval(s), permission(s) or sanction(s), which may be agreed by the Board of Directors of the Company("hereinafter referred to as the Board"), the consent of the Members of the Company be and is hereby accorded to the Board in respect of the financial assistance extended by the Canara bank ("the bank"), such that only in the event of default by the Borrower under the lending arrangements, said Bank at its option may be able to convert the outstanding loan to ordinary equity shares in the Company upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the applicable SEBI Regulations at the time of such conversion.

RESOLVED FURTHER THAT on receipt of notice of such conversion, the Board be and is hereby authorized to do all such acts, deeds and things as the Board may deem necessary and shall allot and issue the requisite number of fully paid-up ordinary equity shares in the Company to the said Bank.

RESOLVED FURTHER THAT the ordinary equity shares to be so allotted and issued to the said Bank pursuant to its exercising the right of conversion shall rank pari-passu in all respects with the then equity shares in the Company and be listed on the Stock Exchange(s) where the existing shares of the Company are listed.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or any Committee of Directors or any other executive(s) or officer(s) of the Company to give effect to the aforesaid resolution."

6. CONVERSION OF LOAN AVAILED FROM CENTRAL BANK OF INDIA INTO EQUITY SHARE CAPITAL:

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

"RESOLVED THAT pursuant to Section 62(3) and other applicable provisions, if any, of the Companies Act 2013 read with rules made thereunder, and subject to all such approvals, permissions and sanctions as maybe necessary and subject to such condition(s) and modification(s) as maybe prescribed or imposed, while granting such approval(s), permission(s) or sanction(s), which may be agreed by the Board of Directors of the Company("hereinafter referred to as

the Board”), the consent of the Members of the Company be and is hereby accorded to the Board in respect of the financial assistance extended by the Central Bank of India (“the bank”), such that only in the event of default by the Borrower under the lending arrangements, said Bank at its option maybe able to convert the outstanding loan to ordinary equity shares in the Company upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the applicable SEBI Regulations at the time of such conversion.

RESOLVED FURTHER THAT on receipt of notice of such conversion, the Board be and is hereby authorized to do all such acts, deeds and things as the Board may deem necessary and shall allot and issue the requisite number of fully paid-up ordinary equity shares in the Company to the said Bank.

RESOLVED FURTHER THAT the ordinary equity shares to be so allotted and issued to the said Bank pursuant to its exercising the right of conversion shall rank pari-passu in all respects with the then equity shares in the Company and be listed on the Stock Exchange(s) where the existing shares of the Company are listed.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or any Committee of Directors or any other executive(s) or officer(s) of the Company to give effect to the aforesaid resolution.

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

Place: Hyderabad
Date: 13th August, 2016

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

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Corporate Office at Country Club Kool, #6-3-1219, 4th & 5th Floor, Begumpet, Hyderabad- 500016, duly completed and signed, not later than 48 hours before the commencement of the meeting.
3. A Proxy Form is annexed to this Report. Members/Proxies should bring duly filled attendance slips sent herewith for attending the meeting along with the copies of Annual Reports to the Annual General Meeting. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the AGM.
4. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses with the Company, physical copies of the Annual Report are being sent by the permitted mode. Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 23rd September, 2016 to Friday, 30th September, 2016 (both days inclusive).
6. The amount which was lying in the Un-claimed Dividend Account of the Company for the FY 2007-2008 of Rs. 5,42,400 (Rupees Five Lakhs Forty Two Thousand Four Hundred 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	2, 72,327	29th October, 2021
2012 – 2013	2,69,831	29th October, 2020
2011 – 2012	2,44,278	28th October, 2019
2010 - 2011	2,34,126	29th October, 2018
2009 – 2010	2,47,017	29th October, 2017
2008 – 2009	7,59,700	29th October, 2016

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 Thursday, 22nd September, 2016, 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 NSDL/ 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 Tuesday, 27th September, 2016 and will end at 5.00 p.m. on Thursday, 29th September, 2016. 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 Tuesday, 27th September, 2016 and will end at 5.00 p.m. on Thursday, 29th September, 2016. 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, 2016 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

(a) In case of Shareholders' receiving e-mail from NSDL

- (i) Open e-mail and open PDF file viz; "remote e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" of Country Club Hospitality & Holidays Limited
- (viii) Now you are ready for e-Voting as Cast Vote page opens
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail scrutinizer@countryclubmail.com with a copy marked to evoting@nsdl.co.in.

(b) In case of Shareholders' receiving Postal Ballot Form by Post:

- (i) Initial password is provided as below/at the bottom of the Postal Ballot Form.

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- (c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
- (d) If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- 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.
 - 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), Regulations 2015 is annexed thereto.
12. The Companies Equity shares are listed at Bombay Stock Exchange and National Stock Exchange and the listing fee for the FY 2016-17 has been 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:

Sri Y. Varun Reddy, was re-appointed as the Vice-Chairman, Joint Managing Director & COO by the Members of the Company at the 20th Annual General Meeting held on 30th September, 2011 for a period of 5 years w.e.f 1st August, 2011 to 31st July, 2016.

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 reappoint him as the Vice-Chairman, Joint Managing Director, COO of the Company for a further period of 5 years w.e.f 1st August, 2016 to 31st July, 2021 on the same terms and conditions as mentioned in the resolution.

Pursuant to section 196 of the Companies Act, 2013 re-appointment of the directors can be made upto a period of one year before expiry of his term.

The re-appointment of 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.

I. GENERAL INFORMATION:

1	Nature of industry	HOSPITALITY		
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	2015-16 (in lakhs)	2014-15 (in lakhs)	2013-14 (in lakhs)
	Income from Operations (Gross)	29,328.57	27,318.08	32,140.82
	Profit/Loss Before tax	(105.06)	(654.84)	1,175.96
	Profit /Loss after Tax	(1065.01)	(1,129.18)	96.14
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 WHOLE-TIME DIRECTORS:

1. Background details:

Mr. Varun Reddy, 31years, the youngest COO on the Corporate India Circuit, Varun Reddy stepped into the corporate zone in his teens.

Dynamic, Aggressive and Focused, he joined 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 Graduated 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 Ltd 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
30,00,000	2.5% of the Net Profits	NIL	30,00,000

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 existing remuneration as set out in the resolution.

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 13, 2016.