



Where you go out to come home.



leisure



bars & clubs



holidaying



homes



conferencing



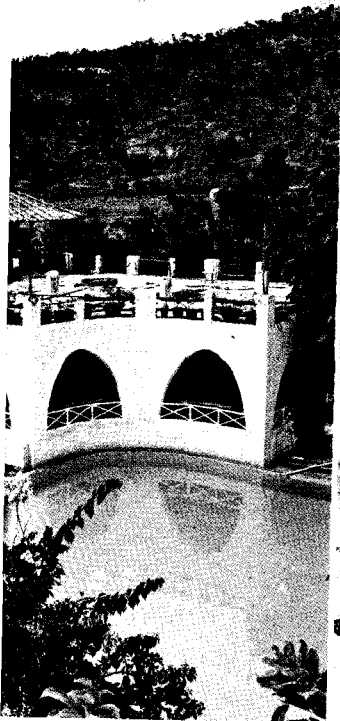
events



adventure sports



medical tourism



Forward looking statement

In our report we have disclosed forward-looking information so that investors can comprehend the Company's prospects and make informed investment decisions. This annual report and other written and oral statements that we make periodically contain such forward-looking statements that set out anticipated results based on the Management's plans and assumptions. We have tried, wherever possible, to qualify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words and terms of similar substance in connection with any discussion of future operating or financial performance.

We do not guarantee that any forward-looking statement will be realised, although we believe we have been diligent and prudent in our plans and assumptions. The achievement of future results is subject to risks, uncertainties and validity of inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Investors should bear this in mind as they consider forward-looking statements. 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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Gloom. Cheer.

Work. Leisure.

Worry. Relaxation.

Austerity. Affordability.

Loneliness. Community.



Where people see a club, Country Club sees home.

Where people see problems, Country Club perceives opportunity.

2006-07

INDUSTRY EXPERTS SAID THAT THE CONCEPT OF
MIDDLE-CLASS CLUBBING WOULD BE UNVIABLE.
COUNTRY CLUB PERCEIVED AN OPPORTUNITY.



2007-08

PEOPLE DISMISSED THE CONCEPT OF A NATIONAL
CLUB CHAIN AS MANAGERIALLY IMPOSSIBLE.
COUNTRY CLUB PERCEIVED AN OPPORTUNITY.



2008-09

MOST SAID THAT OUR CONCEPT HAD
CONSUMED ITS POTENTIAL.
COUNTRY CLUB PERCEIVED AN OPPORTUNITY.

The opportunity to tell the world that clubbing and community can serve as effective stress antidotes.

The opportunity to demonstrate that clubbing is not about providing space but enriching experiences.

The opportunity to emphasise that clubbing can be inclusive and not necessarily elitist. The opportunity to buy showpiece properties cheap.

“In five years, we hope to have a 100 owned-property portfolio (domestic and international) with almost half a million members in the Country Club family.”

Mr. Y. Rajeev Reddy, *Chairman and Managing Director*, Country Club (India) Limited, gives the big picture.



Dear friends

Country Club is at an interesting inflection point.

For the Indian tourism sector, 2008-09 was a year of unprecedented challenge. International tourist arrivals into India declined sharply on account of the global economic crisis and the terror-strike in Mumbai. Inflow growth slowed from 14.3 per cent in 2007 to 5.6 per cent in 2008. The point I am trying to make is that despite the double-blow, the Indian tourism sector outperformed the global tourist arrivals growth of 2 per cent in 2008. Just as the economic rebound in India reflects its resilience, these numbers showcase the fact that there is something fundamentally going for India as far as the tourism and hospitality sector is concerned.

A number of realities need to be recognized when appraising the implications of the tourism sector's potential in driving international economies. The industry is one of the largest employment creators and wealth distributors with sustainable implications. For instance, the size of the global tourism industry is \$4.6 trillion whereas the global software industry size is a mere \$500 billion. The tourism industry globally generates over 250 million jobs whereas the software industry generates only 20 million jobs. Nearly 8 per cent of global employment is tourism-dependent.

I do not need convincing that as India's tourism sector grows, it will generate more jobs and catalyse the economy. *I know*. A study by the World Travel and Tourism Council demonstrates that between 2008 and 2018 the highest annualised real growth of travel and tourism demand

worldwide, at 9.4 per cent, will occur in India. To make this a reality, we need to focus on infrastructure, develop niche sectors and open up new areas. Although India's USP is its matchless heritage positioning, on the ground there is shockingly poor sanitation and safety. A continuing constraint is our lack of quality on-the-ground experience. The Incredible India branding cannot be isolated from this reality. Essentially, a brand is what a brand does. The campaign cannot be sustained if the quality of experience offered to tourists does not remain credible. Infrastructure development and destination management, therefore, hold the key to India's sustained growth in the tourism sector.

India needs more hotels, particularly budget accommodation. Some 1,700 hotels in India have about 96,000 rooms, but only about 30 per cent of them cater to the medium market segment. India needs another 150,000 rooms in three years to sustain tourism growth and counter the tourism potential of room-rich countries like China. High land prices, antiquated land laws and absence of single-window clearance are also sectoral constraints.

Then there is the potential of India's domestic tourism, which can help counter the seasonality of inbound tourism and the ongoing industry weakness. What needs to be done in this area is enhanced awareness among the rising Indian middle-class about new experiences (chasing the monsoon), new attractions (plantation holidays), new adventures (exploring the Himalayas) as well as pilgrim circuits, heritage and monuments.

What gives me optimism is this: even though BRIC countries (Brazil, Russia, India and China) account for half the world's population, only 5 per cent of their populations have travelled abroad compared to almost 50 per cent in the developed countries. When more people in these geographies have their basic needs fulfilled – as is happening in India and China – they will begin to travel more extensively than before. A little of that potential is already visible: a recent report by Visit Britain highlights that Indian tourists outspend Americans in Britain. There is an increasing trend of young travelers breaking away from five-star deluxe tourism. The retiring baby boomers in the US and Europe, comprising the affluent older consumers, are setting new trends of short breaks-multiple short holidays in a year seeking authentic experiences, which will catalyse cultural tourism. That is when a destination like India will score over other for its sheer richness in history and culture.

India is attractively placed to capitalize on this emerging trend. The Internet has made it possible for service providers to interface directly with customers; it is possible to buy tickets (rail or air) from half the world away without needing to stand in queue. Technology has reduced costs, accelerated travel and reduced bottlenecks.

To take this into the next league, we need to reinforce the five critical Cs – civic governance (improve the quality of tourism infrastructure), capacity building (taxi drivers, guide and immigration staff), communication strategy (constant innovation of the Incredible India campaign and penetrate new markets), convergence of tourism with other sectors and

India needs more hotels, particularly budget accommodation. Some 1,700 hotels in India have about 96,000 rooms, but only about 30 per cent of them cater to the medium market segment. India needs another 150,000 rooms in three years to sustain tourism growth and counter the tourism potential of room-rich countries like China.

civil aviation (better airport infrastructure, rationalisation of taxes and continued opening of the skies).

To enhance tourist confidence, Union Ministry of Tourism is launching a new scheme 'Visit India 2009', offering various incentives to foreign tourists and the tourism industry. These value addition services will be offered to tourists visiting the country during the period April 2009 - March 2010. The proposed incentives: one complimentary international air passage for a traveling companion, one night complimentary stay in the hotel booked by the traveler, complimentary sightseeing in any one city of their choice and a complimentary rural eco-holiday. The idea is to provide one additional service for every service paid for by the tourists with the help of top airlines and organizations like Hotel Association of India (HAI) and Indian Association of Tour Operators (IATO).

Besides, more Indians are rediscovering their home land for a price lower than travelling abroad. People no longer need month-long vacations to satisfy their wanderlust and indulge in a foreign destination. Instead of adding to costs through airline tickets and accommodation, there is a greater attraction in exploring Indian eco-tourism, conservation camp sites and national parks.

At Country Club, we are alive to these realities in the following ways:

- ◆ Identified opportunities to expand on potential international soil
- ◆ Consolidated our presence on Indian shores
- ◆ Identified avenues to make clubbing a holistic family experience
- ◆ Launched medical tourism options through Country Spa in India and the Middle East to start with
- ◆ Identified our timeshare business, Country Vacations, as a key revenue driver and are actively acquiring properties to set up designer country homes

While the downturn of the economy has certainly affected the tourism industry, we recognise that people will not deny themselves the pleasure of travel. In the next five years, we hope to have 100 owned properties (domestic and international) against the current 53, with almost half a million members as part of the Country Club family.

Y. Rajeev Reddy

Our locations

Ahmedabad

The Country Club Sanand Road
CK27 Satellite Town

Bangalore

Country Club Banyan Tree
Country Club Bannerghatta Road
Country Club Sarjapur Road
Country Club Yelahanka Road
Country Club Mysore Road
Country Club Magadi Road
Country Club Lakeside
Country Club Coconut Grove
Country Club Kool Doddaballapur
CK 27 JP Nagar
CK 27 Koramangala
CK 27 Indiranagar

Bandipur

Country Club Wildlife Resort

Baroda

Country Club Baroda

Chennai

Country Club Jade Resorts ECR
Country Club RA Puram

Country Club Guindy

Country Club Mango Grove

Cochin

Country Club Rock Springs

Delhi

The Country Club Eros Regency
CK27 Noida

Dubai

The Country Club Hotel Dubai

Goa

Country Club de Goa

Hyderabad

Country Club Begumpet
Country Club Medchal
Country Kuteeram
Country Kuteeram (Lepakshi)
Amrutha Castle
Country Spa

Hubli

Country Club Water World

Indore

Country Club Fun and Food

Jaipur

Country Club Fun City

Kandy (Sri Lanka)

Country Club Babylon

Kovalam

Country Club Treasure Cove
Country Club Rock Springs

Kolkata

The Country Club Chanakyapuri
CK27 Kasba

Kodaikanal

Country Club Kodaikanal

Lucknow

Country Club Corporate 1

Mangalore

Country Club Mangalore

Mysore

Country Club Mysore

Mumbai

Country Club Andheri
Country Club Bamboo Grove

Country Club Spring Khandivili

CK27 Navi Mumbai
Kolad

Pune

CK27 Koregoan Park
Country Club Kool Undri Pune

Surat

The Country Club Aqua City
CK27 Surat

Vizag

Country Club Vizag

Hotels

Dubai

The Country Club Hotel

Amrutha Castle

Best Western Amrutha Castle,
Hyderabad

Zen Garden

Zen Garden Hotel, Chennai



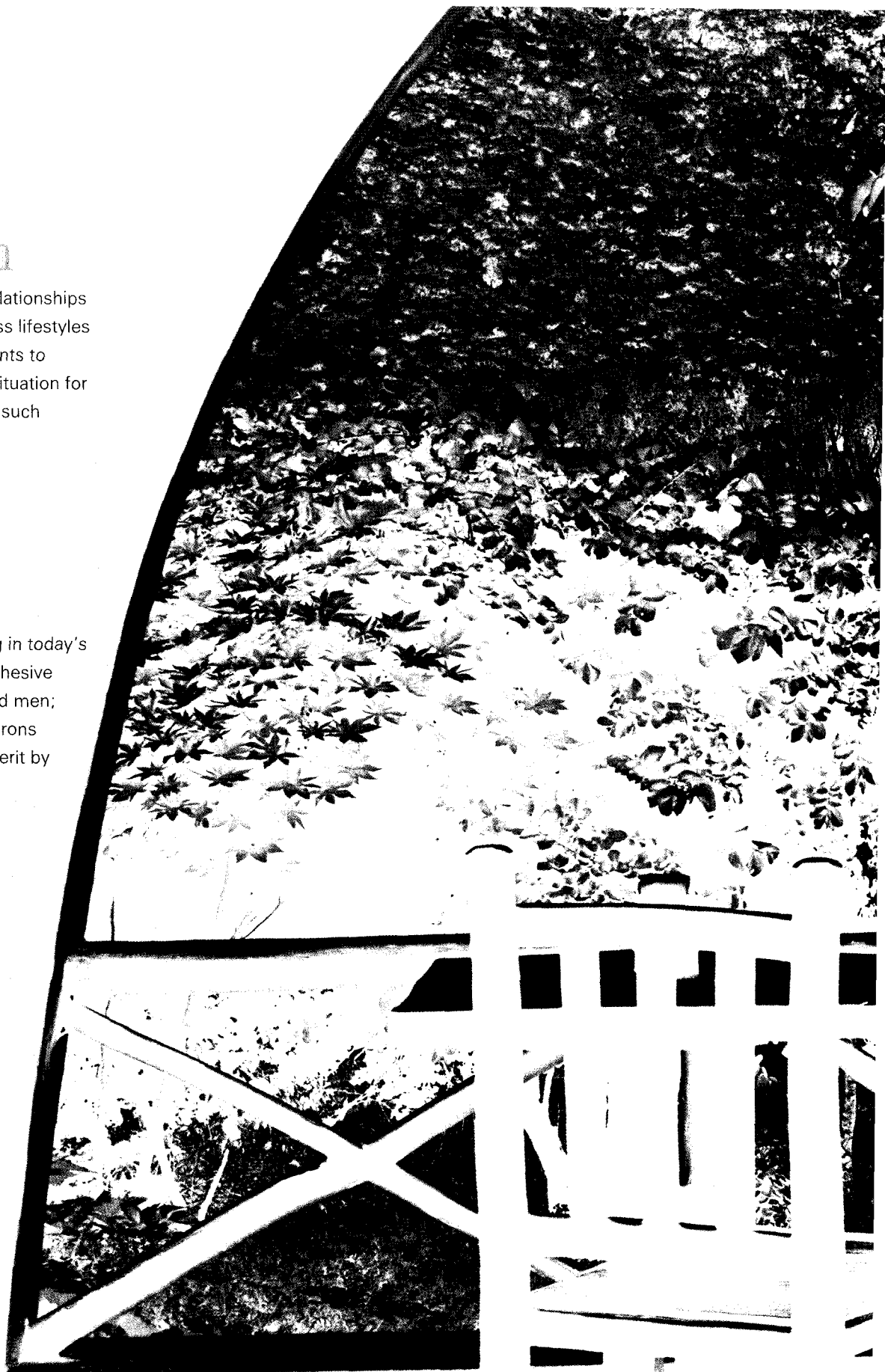
Our mission

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



Our vision

To be world leaders in 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.





Our identity

- ✦ Incorporated in 1989 to make clubbing easily available at reasonable prices
- ✦ One of the fastest growing entertainment and leisure conglomerates in India
- ✦ Ownership of 53 properties (33 owned, 17 held by promoters and 3 leased).



Our people

A team of 10,000 professionals to meet every guest need.

Our services

- ◆ State-of-the-art facilities comprising health clubs, swimming pools, multi-cuisine restaurants, business centres and banquet rooms to cater to the recreation and business needs of our guests.
- ◆ A transferability of membership from one city to another
- ◆ 0% interest-free installments for joining members (six months to 36 months through alliances with Axis Bank, ABN Amro, SBI and HDFC).
- ◆ Range of membership products.

Our esteemed clients

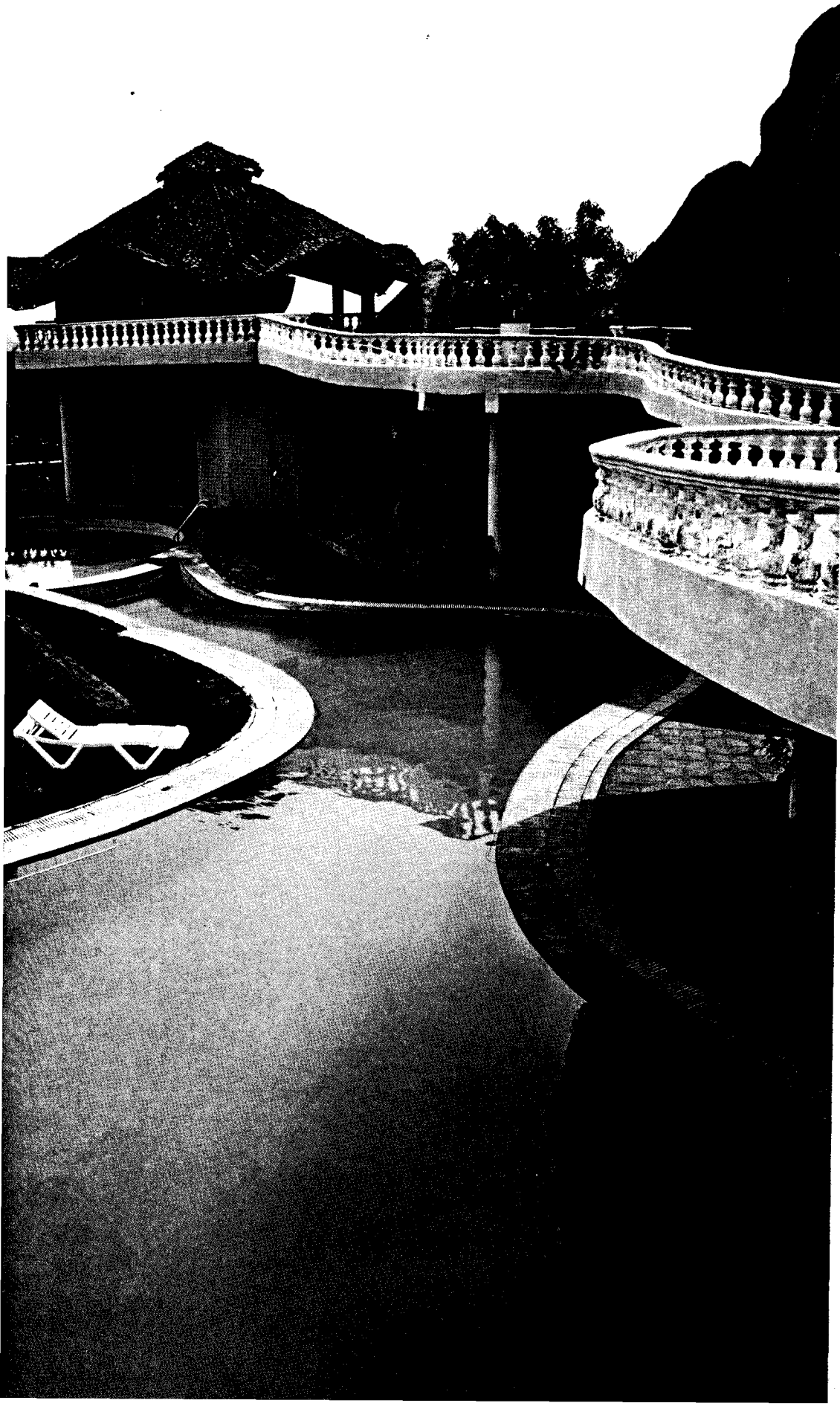
2,00,000 individual members and 600 corporate members comprising prominent brands like Microsoft, Mahindra Satyam, Brooke Bond Lipton (India) Ltd, CMC Ltd and Dr. Reddy's Labs, among others.

Our presence

- ◆ Headquartered in Hyderabad; overseas headquarters in UAE
- ◆ Present in 38 Indian cities (across Karnataka, Andhra Pradesh, Gujarat, Kerala, New Delhi, West Bengal, Rajasthan, Uttar Pradesh, among others)
- ◆ International properties in Dubai and Sri Lanka.
- ◆ Listed on the Bombay Stock Exchange, the Singapore Stock Exchange and the Luxembourg Stock Exchange.

Our achievements

- ◆ Fastest growing hospitality company in India
- ◆ Largest hospitality company in India in terms of number of properties owned
- ◆ Highest number of members of any family club in India
- ◆ Largest number of employees compared to any hospitality Company in India Recognised as the largest chain of family clubs in India (223 club network, 53 owned properties, 170 franchisees), by *Limca Book of Records*.
- ◆ First hotel in Dubai to be awarded the HACCP certificate



Promoters holding
44.69%

Foreign holding
20.72%

Turnover
84.50%
3-year CAGR

EBIDTA
123.12%
3-year CAGR

PAT
66.56%
3-year CAGR

Milestones ~

1989

Started our first club
in Begumpet,
Hyderabad

1995

Completed Hotel
Amrutha Castle in
Hyderabad

1997

Expanded to
Bangalore (first
metro)

2000

Entered Chennai
(second metro)

2001

Went to Mumbai
(third metro)

2002

Entered multiple
tourism genres

2005

Entered the wildlife genre with Country Club Bandipur – a property matching international standards

2007

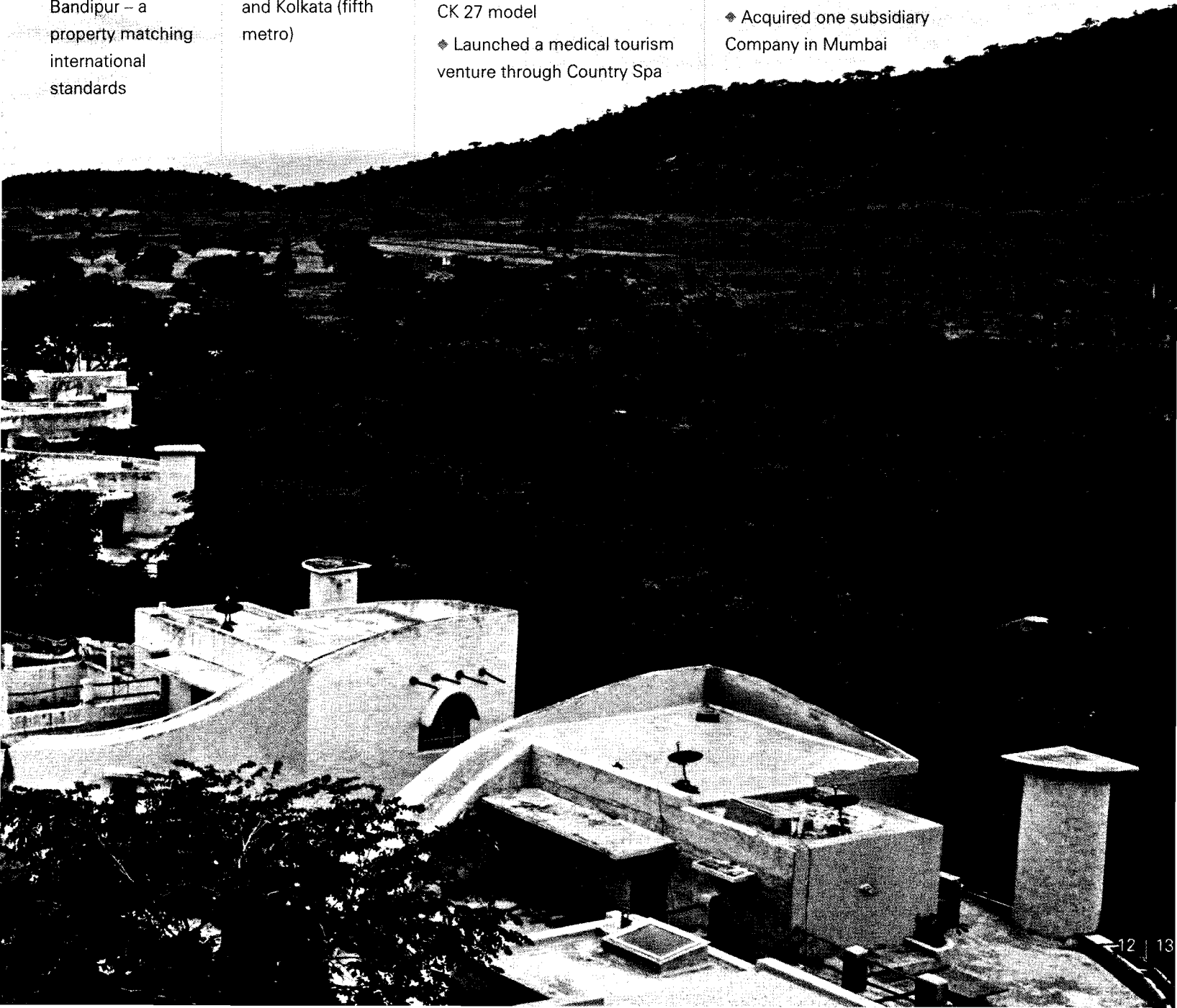
Entered Delhi (fourth metro), Ahmedabad, Pune and Kolkata (fifth metro)

2008

- ◆ Completed GDR/QIP issue amounting to USD 123 million
- ◆ Launched city clubs through CK 27 model
- ◆ Launched a medical tourism venture through Country Spa

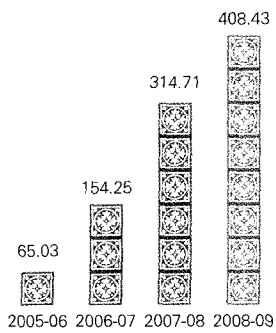
2009

- ◆ Forayed into the Middle East with an international property in Dubai (Bur Dubai)
- ◆ Acquired one subsidiary Company in Mumbai

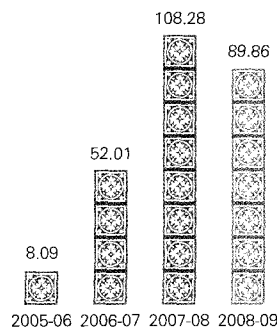


How we have grown over the last few years

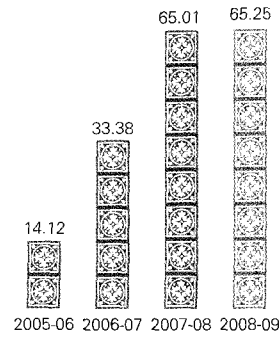
Turnover (Rs. in cr)



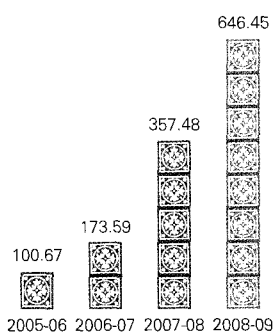
EBIDTA (Rs. in cr)



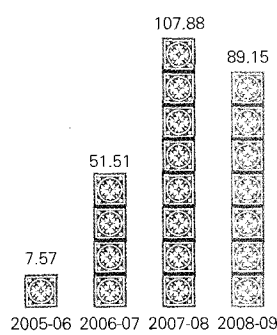
Post-tax profit (Rs. in cr)



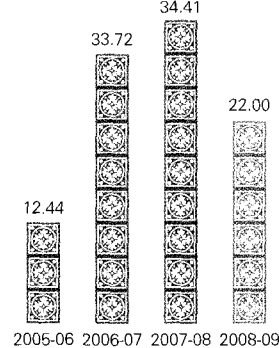
Gross block (Rs. in cr)



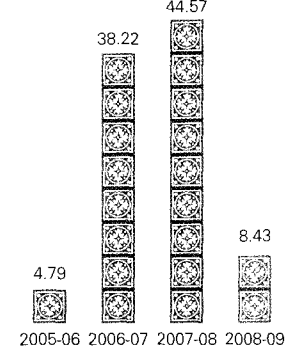
Cash profit (Rs. in cr)



EBIDTA margin (Percent)



Earnings per share (basic) (Rs. in cr)



Highlights, 2008-09

Financial

- ◆ Net revenue was Rs.408.43 cr compared with Rs.314.71 cr in 2007-08
- ◆ EBIDTA was Rs.89.86 cr compared with Rs. 108.28 cr in 2007-08
- ◆ Post-tax profit was Rs.65.25 cr compared with Rs.65.01 cr in 2007-08
- ◆ Cash profit was Rs. 89.15 cr compared with Rs.107.88 cr in 2007-08.
- ◆ Earnings per share (basic) stood at Rs. 8.43 compared with Rs. 8.91 in 2007-08 (During the year the Company has subdivided its face value of Equity shares from Rs.10/- to Rs.2/- each.)

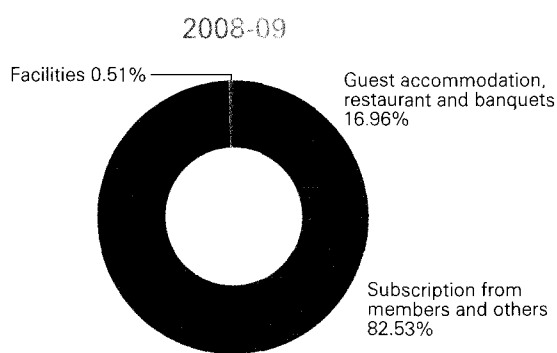
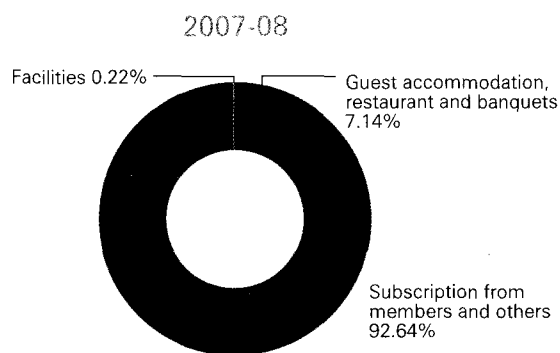
New developments

- ◆ Launched satellite club models (CK 27) to meet lifestyle needs in Ahmedabad, Mumbai and Noida.
- ◆ Launched Country Vivah, a new business venture that aims to tap the hitherto unexplored Indian wedding potential.
- ◆ Launched Country Club Corporate in Lucknow
- ◆ Launched Country Spa in Ahmedabad.
- ◆ Established a Middle East presence in the second year of its operation through its first leisure resort in Dubai

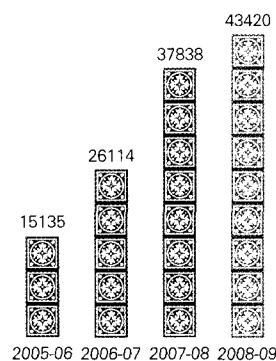
Plans

- ◆ To launch a spa offering naturopathy and ayurvedic services in Dubai.
- ◆ To launch more satellite clubs (CK 27) in the next two years.

Contribution to revenue (%)



Members acquired over the last four years





6.45 a.m.

FIRST THING IN THE MORNING



Country Club perceived the following opportunities and established various 'firsts'.

- ◆ Completed the first leisure infrastructure project comprising eco-friendly holiday homes across the 100-acre Country Club Coconut Grove near Tumkur, Bangalore, 2006.
- ◆ Commissioned the first five-star club across the CCIL chain at Country Club International in Sarjapur, Bangalore, in 2006.
- ◆ Commissioned a one-of-its-kind water sports and clubbing retreat in Goa called Country Club de Goa in 2006.
- ◆ Commissioned the first floating spa in Kerala in 2006.
- ◆ Extended into wildlife getaway, eco-tourism, floating spa, chocolate and wine spa, service apartments and commercial space (mainly for the IT sector) specialty segments.
- ◆ Made its first international foray with lifestyle resorts in Sri Lanka.
- ◆ Forayed into the Middle East through the Country Club Hotel in Dubai
- ◆ Launched CK27, a unique satellite city-centric clubbing experience
- ◆ Launched Country Vivaah, a one-stop wedding solutions service to plan, manage, coordinate and facilitate marriage events.



★
★ ★
6.15 p.m.

THE SUN DOES NOT QUITE SET
AT COUNTRY CLUB



At Country Club, we enjoy a growing footprint.

- ✦ Spread across 53 properties (33 owned, 17 associate properties).
- ✦ Reinforced by 220-plus Indian and global affiliations (via Country Vacations) and 4000 resorts (via RCI affiliation).
- ✦ Inauguration of offices in Delhi, Kolkata, Kochi, Thiruananthapuram, Pune, Lucknow, Bhubaneswar, Jaipur, Indore, Hubli and Mysore in 2008-09
- ✦ Present in 38 cities in India, one in UAE and one in Sri Lanka.
- ✦ Gaining access to the Middle East through the first leisure resort in Dubai, a boutique luxury property with 100 rooms
- ✦ Proposed launch of five properties in the Middle East in 2009-10
- ✦ Aggressive plans for entry into USA by 2011





10.25 p.m.

COUNTRY CLUB NEVER SLEEPS



The backroom at Country Club ensures that guests always feel at home.

- ◆ CCIL directly and indirectly employs 10,000 young and smiling professionals.
- ◆ These professionals reinforce Marketing, Operations, Communication, Logistics, Customer Care and Administration Support, Accounting, Finance, Legal, Mergers and Acquisitions, Resort Management Company, Strategic Alliances and Projects
- ◆ CCIL provides attractive career growth; a number of professionals who joined as trainees have grown to positions of authority and responsibility.
- ◆ The loyalty, motivation and emotional ownership of the staff is reflected in one the lowest attrition levels across the hospitality industry (5% as on 31st March 2009) for our senior personnel



CEO & COO's overview

“We are in the right space with the right product at the right time. In all senses, our timing is right!”

Mr. Y. Siddharth Reddy, *CEO* and Mr. Y. Varun Reddy, *COO*, Country Club India Ltd., review the Company's performance in 2008-09.



Shareholders would want to know how the Company performed in 2008-09.

It would be relevant to interpret our numbers for the last fiscal with a perspective. We grew our consolidated turnover from Rs. 314 cr in 2007-08 to Rs. 408 cr in 2008-09. We wrote off all foreseen losses during 2008-09. One such example was the one-time accounting for a notional loss on FCCBs of Rs.7 cr. We revamped our office and room interiors and amortised the costs during that year itself – expenditure of around Rs. 90 cr approximately – even though its benefits will accrue for the next number of years. We also invested heavily in gross block in 2007-08, raising our property portfolio from 33 to 53, which increased depreciation by Rs. 25.85 cr to Rs. 42.47 cr. in 2008-09. And lastly, there was a hesitation among consumers to spend on leisure, which translated into lower revenues in the last half of 2008-09. So I must assure shareholders that our working was far better than as indicated in the numbers.

What were the achievements of Country Club in 2008-09? There were a number of ways in which we strengthened our business during the year under review.

- ◆ We acquired an existing boutique luxury property with 100 rooms in the Emirate of Dubai for 165 million AED (Rs. 175 cr).
- ◆ We strengthened our presence in Dubai in addition to our existing properties in Sri Lanka.
- ◆ We extended our CK27 club chain with the launch of two additional clubs in Mumbai and Noida.

Where else does the Company expect to grow?

Our growth would have to be international for a number of reasons. The

Indian economy is \$1.3 trillion in size, whereas the global economy is \$62 trillion. This means that whereas we account for 16% of the global population and have been the second fastest growing global economy for a number of years, we account for a mere 2-3% of global wealth. We expect this proportion to increase, widening our market.

America accounts for 25% of global wealth and a brand like Marriott derives about Rs. 5000-6000 cr from time-share income whereas we don't even have a presence in that geography. This is a reality that we will need to correct with speed. Post recession, real estate prices in Western Europe and the Americas are attractive. The strengthening of the rupee has made acquisitions cheaper.

Over the years, we diversified our geographic risk by ensuring that no geography from within India contributes more than 10% to our revenue. We will replicate this approach globally as well. We will expand our presence in the Middle East and US, looking at geographies with the highest concentration of the Indian diaspora. We extended in our first phase to the Middle East as tourist arrivals in that region have seen the fastest average growth across the world. Besides, there is a positive momentum in our earnings from this geography, which represents the basis of our optimism. Two years ago, a mere one per cent of our revenues were derived from overseas; today, it is 25% and we expect this to increase to 50% in a couple of years.

Besides, Indians are more aggressive travelers today with an increasing amount allocated for travel and leisure. This will make it possible for us to take members from here to those global locations in addition to seeking members from those geographies as well.

Do you see an India advantage emerging?

Absolutely. The last year has vindicated India's growing relative strength in the global economy; we recovered faster than most global economies. Country Club – by the virtue of strong hospitality and realty connotations - represents one of the purest proxies of the country's prospects. Let me give you good reasons: the country's investment in infrastructure will have a catalytic effect – not only from the perspective of profits generated from the creation of this infrastructure but also from the enablement of various downstream and dependant sectors. This will in turn provide us with attractive opportunities in terms of locations and access; we already enjoy a visible brand with robust financials, which will accelerate our growth.

What can shareholders expect from the Company over the foreseeable future?

At Country Club, the future looks optimistic for a number of reasons:

- ◆ We may sacrifice short-term topline growth for a broader long-term stability
- ◆ By 2011, 50% of our revenues will be derived from our overseas locations.
- ◆ We will target locations within large economies enjoying high disposable income (like Middle East, US, Poland and Southeast Asia)
- ◆ We expect to enhance members from 2,00,000 in 2008-09 to 2,40,000 in 2009-10
- ◆ We will maximize footfalls in potential regions through promotional events
- ◆ We will invest in people capital to attract talent and reduce attrition

Our growth strategy

- ◆ Provide full service resorts delivering complete holiday experiences through a range of holiday activities, restaurants, amenities and destination-specific experiences.
 - ◆ Be recognised as the urban family's preferred partner for holidays and holiday services in India.
 - ◆ Extend entertainment, clubbing and holiday options (once reserved for the elite) to the upper middle-class (families with incomes less than Rs.2.5 lacs per annum) through the reduction of social barriers
 - ◆ Be recalled for our service excellence, innovative offerings, diverse locations and superior price-value.
 - ◆ Be high on people retention through HR policies and practices including a variable-intensive compensation model
 - ◆ Be diversely present across the world through an expansion in Middle East, US, UK, Poland and ASEAN as well a number of second-tier Indian cities.
 - ◆ Be low in cost without compromising customer service
 - ◆ Be focused on maximising member satisfaction (as measured by the Member Satisfaction Index tied to individual key result areas) by involving each family member in the leisure or clubbing experience
-

Why does Country Club represent a superior social option?

Because Country Club represents a superior value per rupee compared with competing alternatives. Take an evening out at a Cineplex for instance. For a family of four, that would represent Rs. 600 for tickets plus mid-movie refreshments of Rs. 200. On the other hand, an evening at Country Club would be considerably cheaper, would result in varied and customized entertainment options for all family members and more importantly, widen the social canvas for members. This is especially true for members who migrate; Country Club probably does more to connect people than probably any other organization. Besides, we don't just provide a place, we provide experiences; we don't just provide experiences, we provide a life.

Our strengths

Appreciation:

Our average membership fee has increased at a CAGR in excess of 20% across five years.

Members:

We have around 2,00,000 members as on March 31, 2009, a 20% CAGR across five years.

Scale:

We possessed a pan-India coverage of 53 resorts and clubs and 150 franchisees as of March 31, 2009.

Integrated model:

Our integrated business model reduces cost of operations, facilitates changes and improves service.

Industry leadership:

Country Club is a leading Indian leisure infrastructure Company with around 2,00,000 members (as on March 31, 2009).

Portfolio:

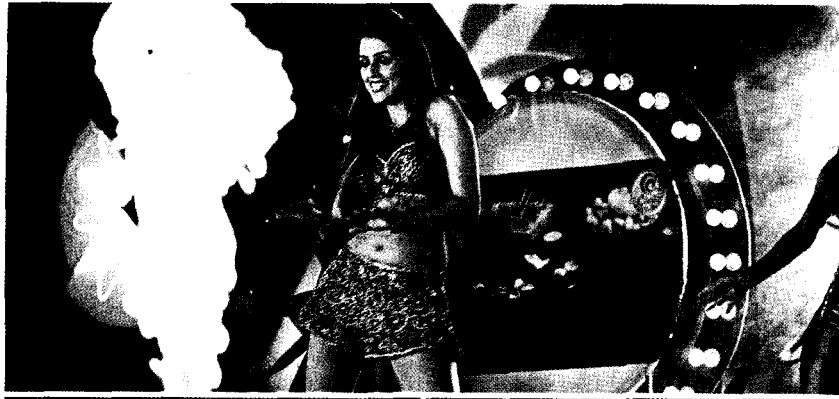
We possessed 53 properties (33 owned, 20 associate); the Company's presence is reinforced by 220-plus Indian and global affiliations (via Country Vacations) and 4000 resorts (via RCI affiliation).

Mixed-use:

We are a vacation ownership Company also providing non-members access to our unutilized apartments on a walk-in per-night tariff basis.

Events





Notice

NOTICE is hereby given that the 18th Annual General Meeting of the members of M/s. Country Club (India) Limited will be held on Wednesday, September 30, 2009 at 12.00 noon at Sri Agrasen Bhavan, # 149, Brig. Sayeed Road, Sappers Line, Paradise, Secunderabad-500 003 to transact the following business:

Ordinary business:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2009 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare a dividend on equity shares of the Company.
3. To appoint a Director in place of Smt. Y. Manjula Reddy, Director who retires by rotation and being eligible offers herself for reappointment.
4. To appoint a Director in place of Sri. K. Satyanarayana Raju, Director who retires by rotation and being eligible offers himself for reappointment.
5. To appoint a Director in place of Sri. D. V. Ratna Kishore, Director who retires by

rotation and being eligible offers himself for reappointment.

6. To appoint M/s. P. Murali & Co., Chartered Accountants, Hyderabad as auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and authorise the Board of Directors to fix their remuneration.

Special business:

7. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Sections 258, 259 and all other applicable provisions, if any, of the Companies Act, 1956, in super session to the earlier resolution passed in this regard and subject to the approval of the Central Government, the number of Directors of the Company for the time being in the office be increased from 'twelve(12) to twenty(20)'.

RESOLVED FURTHER THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act,

1956, existing Article 90 of the Articles of Association of the Company shall stand deleted and the following new Article shall stand substituted in its place and read as new Article 90 of Articles of Association of the Company with effect from the date of Central Government approval in accordance with the provisions of the Companies Act, 1956:

"90. Unless otherwise determined by the Company in General Meeting, the number of Directors shall not be less than 3 (three) and shall not be more than 20 (twenty) including all kinds of Directors."

RESOLVED FURTHER THAT the Board and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

For **Country Club (India) Limited**

Place: Hyderabad
Date: June 30, 2009

(Y. Rajeev Reddy)
Chairman
Managing Director

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF OR HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE AT LEAST 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. The relevant explanatory statement required by Section 173 (2) of the Companies Act, 1956, in respect of the special business set out above is annexed hereto.
3. The Register of members and Share Transfer Books of the Company will remain closed from September 25, 2009 to September 30, 2009 (both days inclusive).
4. Voting is by show of hands unless a poll is demanded by a member or members present in person, or by proxy, holding at least one-tenth of the total shares entitled to vote on the resolution, or by those holding paid-up capital of at least Rs. 50,000. A proxy shall not vote except on a poll
5. Dividend, if declared, will be paid (i) to all the beneficial owners in respect of shares held in electronic form as per the data as

may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of the business hours on 24th September, 2009, and (ii) to all the shareholders in respect of shares held in physical form after giving effect to valid transfer requests lodged with the Company on or before the close of the business hours on 24th September, 2009. Dividend warrants are scheduled to be posted on or after 5th October 2009, i.e. within 30 days of declaration of dividend in the 18th AGM. Dividend warrant is valid for payment by the Company's bankers for three months from the date of issue. Thereafter, you may contact the Registrar and Share Transfer Agents i.e. M/s. Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad 500 029, for revalidation of the warrants.

6. You are advised to encash your dividend warrants immediately as the dividend amount remaining unclaimed/unpaid at the expiry of seven years from the date that becomes due for payment are required to be transferred by the Company to the Investor Education and Protection Fund under Section 205C in terms of Section 205A of the Companies Act, 1956. The due date for transfer of unpaid dividend amount to the Investor Education and Protection Fund (IEPF) of the financial year 2006-07 is

3rd November, 2014, for financial year 2007-08 is 10th October, 2015. For the financial year 2008-09 4th November 2016 is the due date for transfer of unpaid dividend amount to the Investor Education and Protection Fund subject to approval of members of the Company.

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

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

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

In case you wish to have your dividends paid through ECS, and are holding the Company's shares in electronic form, you may kindly fill in the enclosed ECS mandate

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

If you do not wish to opt for ECS facility, we strongly recommend to provide the details of your Bank's Name, Branch, type of Account and Account Number to your depository participant, in cases where shares are held in electronic form, and to us in cases where shares are held in physical form for printing the same on the dividend warrants which will be dispatched to you. In the event of any change or correction in the details provided earlier, kindly send revised particulars to your Depository Participants or to us as the case may be, at an early date.

8. 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.

9. 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.
10. Members holding shares in physical form are requested to notify/send any change in their address to the Company's share transfer agents, or to the Company at its Registered Office.
11. Members holding shares in dematerialisation form are requested to notify/send any changes in their address to the concerned depository participant (s).
12. 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.
13. 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.

14. Section 109A of the Companies Act, 1956 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders willing to avail this facility may make nomination in Form 2B. This nomination form should be submitted at Registrar and Share Transfer Agent (R.T.A.) as per the address mentioned in the Corporate Governance Report.
15. 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.
16. Pursuant to the requirement of Corporate Governance code under the Listing Agreement entered into by the Company, the information about the Directors proposed to be appointed/re-appointed is given in the Annexure to this Notice.

Explanatory Statement

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

Item # 7: Increasing the number of Directors from 12 to 20 under Section 258 and 259 of the Companies Act, 1956.

MTo meet the new challenges and to comply with the requirement of Clause 49 of the Listing

Agreement relating to Corporate Governance, it is imperative that the Company's Board is strengthened to enhance its effectiveness, which is central to maximizing long-term shareholder value. The Company accordingly needs to have a set of Directors with

appropriate qualifications, skills, experience and/or background in diverse or related fields.

The members of the Company had approved the resolution to increase the number of Directors from 12 to 20 in their 16th Annual

General Meeting held on 29th September, 2007 and the Company had made an application to the Central Government on April 7, 2009, vide SRN A59482232, but the Ministry of Corporate affairs have sought for fresh members resolution. Hence the above resolution is submitted to the meeting for member's approval.

In terms of Section 259 of the Companies Act, 1956, the aforesaid amendment requires approval of the Central Government besides obtaining approval of the Shareholders by passing a Special Resolution.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company are, in any way, concerned or interested in the said resolution.

For **Country Club (India) Limited**

Place: Hyderabad
Date: June 30, 2009

Y. Rajeev Reddy
Chairman &
Managing Director.

Additional information

(As per Clause 49 of the Listing Agreement)

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

1. Name	:	Smt Y. Manjula Reddy
Age	:	49 years
Qualification	:	M.A. and M.B.A.
Expertise	:	Vast experience in management, administration fashion and interior designing.
Other Directorships	:	9
Shareholding in the Company	:	8.59%
2. Name	:	Sri K. Satyanarayana Raju
Age	:	62 years
Qualification	:	Undergraduate
Expertise	:	Vast experience in construction and real estate
Other Directorships	:	Nil
Shareholding in the Company	:	Nil
3. Name	:	Sri D. V. Ratna Kishore
Age	:	70 years
Qualification	:	B.Tech.
Expertise	:	Vast experience in textile industry
Other Directorships	:	Nil
Shareholding in the Company	:	Nil

Directors' Report

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

The Directors have pleasure in presenting the 18th Annual Report of the Company together with audited Annual Accounts for the year ended March 31, 2009.

Financial results

(Rs. in lacs)

Total income	40843.44	31470.86	29293.29	31424.03
Operating profit before interest, depreciation and tax	10328.55	12049.72	4175.42	12043.75
Interest and financial charges	1415.29	1263.94	1351.72	1263.83
Depreciation	1661.88	679.96	1143.63	652.79
Profit before taxation	7251.38	10105.82	1680.07	10127.13
Provisions for taxation	726.43	3604.39	708.61	3599.70
Profit after taxation	6524.95	6501.43	971.46	6527.43
Transfer to General Reserves	73.00	490.00	73.00	490.00
Provision for dividend	309.70	309.70	309.70	309.70
Provision for dividend tax	52.63	52.63	52.63	52.63
Surplus carried to Balance Sheet	15131.61	9063.30	9798.10	9261.97

Results of operations

Innovation in operations is the key for the success of CCIL. The global economy is going through an unprecedented crisis and many industries are affected by it directly or indirectly but your Company has proved otherwise and has continued to show a robust growth of 30% with sales up from Rs. 314.71 Crs during the previous year to Rs. 408.43 Crs during the year 2008-09. In tune with its expansion plans your Company has acquired additional properties during the year in additional cities. There has also been an increase in the profit after tax year on year. The operating profits margins on the stand alone and consolidated basis are expected to improve as many investments made in properties, offices and notional FCCB losses will not have a long term impact and would instead lead to an increase in margins in the future.

Outlook

CCIL has recognized the need to reinvent itself from time to time and in this direction CCIL is redefining its operational processes that shall infuse greater efficiency into the relevant systems. These measures has enabled CCIL to offer exemplary services to its guests. CCIL proposes to own 100 properties spread over all major cities of India, as well as popular international holiday destinations.

The objective is clear, i.e. is to provide an opportunity to the middle-income segment to

enjoy the luxuries of clubs and affordable holidays.

In the next five years, CCIL aims to have over half a million members as part of the Country Club Family.

Dividend and transfer to reserves

The Board of Directors of your Company recommended a dividend of 20% on the equity share capital of Rs. 15,48,49,470 resulting in a cash outflow of Rs. 3,09,69,894 (excluding dividend tax). Dividend on equity share capital for the year ended March 31, 2009, which if approved by members at the forthcoming Annual General Meeting, will be paid out of current year profits within 30 days of declaration.

Your Company proposes to transfer Rs. 73,00,000 (Rupees seventy three lacs only) to the General Reserves out of the amount available for appropriation.

Unpaid/unclaimed dividend amount

An amount of Rs. 7,40,588 and Rs. 7,23,028 is lying in the unpaid/unclaimed dividend account of the Company for the financial year ended on March 31, 2008 and March 31, 2007 respectively.

Share Capital

Pursuant to the approval of the shareholders in the previous AGM, your Company has

subdivided its face value of its Equity Shares of Rs. 10/- each into five Equity Shares of Rs. 2/- each. The ISIN of the Equity Shares of the Company have been changed to INE652F01027 from INE652F01019 upon subdivision of the face value of the Equity Shares of the Company.

The paid-up Share Capital of your Company as on 31st March 2009 is 77424735 equity shares of Rs. 2/- each aggregating to Rs.15,48,49,470/- (Rupees Fifteen Crore Forty Eight Lacs Forty-nine thousand Four-hundred and Seventy only).

Long-term resources

To augment the long-term resources to the Company, the Company raised funds by way of issue of convertible warrants. The detail of which are given below

◆ Convertible warrants

On 1st October 2008 the Company has allotted 7,00,000 warrants to the promoters at a price of Rs. 770 per warrant convertible into equal number of equity shares of Rs. 10 each. These warrants are due for conversion.

The Company issued and obtained approval of shareholders at their EGM held on June 9, 2009 for 86,00,000 convertible warrants to the Promoter Director of the Company at a price of Rs. 22.76 per warrant convertible into seven equity shares of Rs. 2 each for every five warrants issued and allotted.

Utilisation of proceeds raised from the issues of FCCB, QIP and GDR

As per the Clause 43 of the Listing Agreement and Clause 13.5A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000, the utilisation of issue proceeds of the FCCBs, QIPs, GDRs and warrants are given below.

Particulars	Amount raised	Amount utilised	Amount outstanding
FCCB	USD 25.00 million	USD 25.00 million	Nil
QIP	Rs. 144,78,47,940	Rs. 144,78,47,940	Nil
GDR	USD 86900008.93	USD 86900008.93	Nil
Warrants	Rs. 13,88,34,000	Rs. 13,88,34,000	Nil

Acquisitions

During 2008-09, the Company acquired various properties across India either through outright purchase or acquisition of 100 per cent equity shares of the Companies owning the properties, to establish and expand its business in different parts of the Country. The following are the acquisitions made by the Company during 2008-09.

(i) Acquisition of M/s. Maruti Waterpark and Entertainments Private Limited

This Company owns a resort property with

structures and sheds and other facilities located in Hubli, Karnataka.

(ii) M/s. Country Vacations International Limited

CCIL has set up an offshore company "Country Vacations International Limited" in UAE which is the 100% subsidiary of CCIL.

CVIL has through one intermediate company acquired an existing boutique luxury hotel in Dubai.

The property is located centrally, 15 minutes

from the airport and with houses over 100 rooms. This acquisition is in tune with the Company's mission of catering to the global Indian which is represented by the large diaspora of the Indian population in the UAE.

Management Discussion and Analysis

Pursuant to Clause 49 of the Listing Agreement, a report on the Management Discussion and Analysis is enclosed herewith.

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

(a) Conservation of energy	The Company is monitoring the consumption of energy and is identifying measures for conserving it.
(b) (i) Technology absorption adaptation and innovation	No technology – indigenous or foreign – is involved.
ii) Research and development (R & D)	No research and development was carried out
(c) Foreign currency earnings	Rs. 16,37,12,167/-
Foreign currency expenditure	Rs. 84,12,056/-

Particulars of employees

In pursuance to the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the particulars of employees receiving remuneration of Rs. 24,00,000/- or more per annum or Rs. 200,000/- or more per month are given below:

Sl. no.	Name	Designation	Total remuneration (in Rupees)	Qualification	Experience in years	Date of commencement of employment	Age	Last employment held
1	Y. Rajeev Reddy	Chairman & Managing Director	36,00,000	B.Com (Hons)	22 years	May 17, 1991	52 Years	Amrutha Group
2	Y. Siddharth Reddy	Vice-Chairman, Joint Managing Director & CEO	30,00,000	Graduation in Finance With Hons. From University of Texas, Austin	5 Years	July 30, 2005	26 Years	N.A.
3	Y. Varun Reddy	Vice-Chairman, Joint Managing Director & COO	27,37,500	B.A. (Eco), B.A. (Corporate Communication)	3 Years	August 01, 2006	24 Years	N.A.
4	D. Krishna Kumar Raju	Vice-Chairman & Executive Director	26,25,000	B. Com (Hons)	9 Years	November 27, 2004	52 Years	Country Condos Ltd.

Directors

The Directors Smt Y. Manjula Reddy, Sri K. Satyanarayana Raju and Sri D. V. Ratna Kishore retire by rotation at the ensuing 18th AGM. Being eligible offer themselves for reappointment.

Directors' responsibility statement

The Directors of the Company hereby state

- That In the preparation of the Annual Accounts for the year ended March 31, 2009, the applicable accounting standards have been followed and there are no material departures.
- That they have selected appropriate

accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2009 and of the profit of the Company for the financial year ended March 31, 2009.

iii) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) That they have prepared the annual accounts

for the financial year ended March 31, 2009 on a going concern basis.

Auditors

M/s. P. Murali & Co., Chartered Accountants, are retiring as Auditors of the Company, but being eligible, have offered themselves for reappointment. M/s. P. Murali & Co. has furnished a certificate of their eligibility under Section 224 (1B) of the Companies Act, 1956. Board of Directors recommends their re-appointment.

Statement pursuant to the Listing Agreement

The Company's equity shares are listed on the

Bombay Stock Exchange Limited (BSE) and the Company has paid the annual listing fees up to 2009-10.

Corporate Governance

A detailed Report on Corporate Governance forming part of the Directors' Report is enclosed herewith.

Subsidiary companies

The Company has eleven subsidiary outfits as on March 31, 2009.

Domestic subsidiaries

1. Aquarian Realtors Private Limited
2. Aakruti Engineers Private Limited
3. Bush Betta Holiday Ownership Wildlife Adventure Resort Private Limited
4. JJ Arts & Entertainments Private Limited
5. Kolet Resort Club Private Limited
6. Bright Resorts Private Limited
7. Jade Resorts Private Limited*
8. Chanakyapuri Resorts Private Limited
9. Maruti Waterpark and Entertainments Pvt Ltd

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

International subsidiary

1. Country Club Babylon Resort Private Limited
2. Country Vacations International Limited

Subsidiaries

Ministry of Corporate Affairs, Government of India, vide order No. 47/531/2009-CL-III dated August 6, 2009 has granted approval that the requirement to attach various documents in respect of subsidiary companies, as set out in sub-section (1) of Section 212 of the Companies Act, 1956, shall not apply to the Company. Accordingly, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. Financial information of the subsidiary companies, as required by the said order, is disclosed in the Annual Report. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection by any investor at the Registered Office of the Company and that of the

respective subsidiary companies. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies.

Personnel

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

Deposits

The Company has not accepted any deposits falling under Section 58A of the Companies Act, 1956, during 2008-09.

Acknowledgements

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

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

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

Place: Hyderabad
Date: June 30, 2009

(Y. Rajeev Reddy)
Chairman & Managing Director

(Y. Siddharth Reddy)
Vice-Chairman, JMD & CEO

Management Discussion and Analysis

Industry overview

Indian economic overview

India continues to be the world's second fastest growing economy after China; its GDP growth in 2008-09 stood at 6.7% (source: Central Statistical Organisation). The first half of the year was characterised by inflation and the second part by a global economic meltdown. The Government of India announced two stimulus packages of Rs. 115 billion to revive demand: the first was directed towards enhancing liquidity, while the second comprised measures like reduction of CENVAT and sectoral investments. India's GDP growth has been forecast at 7% for 2009-10, indicating a quicker rebound than peer economies (source: CMIE).

Some of the leisure and hospitality sector's growth drivers comprise the following:

- ◆ **Size:** The fourth largest economy in purchasing power parity (PPP) is expected to become the world's third largest economy by 2010.

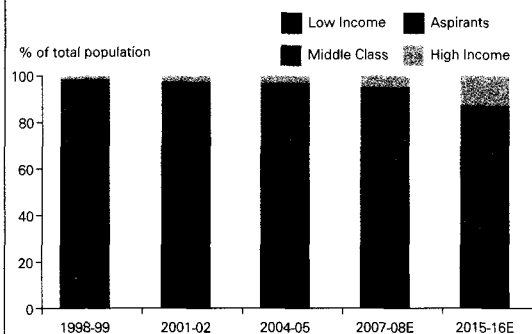
- ◆ **Changing demographics:** Rising disposable incomes, declining population median age, growth in the incidence of nuclear families, low interest rates and modern attitudes to home ownership (decline in the average age of a new homeowner from 45 years a decade ago to 32

years in 2006) are sectoral drivers.

- ◆ **Population growth:** India's population is around one billion and growing. By 2015, India's population is predicted to increase to 1.24 billion.

- ◆ **Increase in middle-class population:** According to McKinsey Global Institute, the number of households with annual income above USD 5,000 ('middle class and above') is expected to increase to 63.8 mn by 2015. An increase in the middle class population will enhance real estate demand. It is expected that *more than half the population will be middle class by 2016* (source: future capital research).

Break-up of Indian population according to income



- ◆ **Increase in affordability:** The annual household income growth in India's 20 key cities averaged 11.2% between 2005 and 2008 and is

projected to grow at 10% annually over the next eight years. In comparison, annual household income for the rest of India will grow at 7.9% until 2016. These top 20 centres of economic development together account for just under 10% of India's population, but generate 31% of the disposable income and 21% of the total spending.

- ◆ **Medical tourism:** India's growing reputation as a major medical tourism destination is attracting foreign visitors. India's medical tourism earnings are an estimated US\$821.4 million.

- ◆ **Spending:** Foreign tourists spend more in India than almost any other country. Tourist arrivals are projected to increase by over 22% annually through till 2010.

- ◆ **Net worth:** The average net worth of an Indian household is expected to go up from US\$12,000 in 2007 to US\$57,000 in 2017.

- ◆ **Urbanisation:** Urbanisation has been growing at 28% in India, faster than its population

- ◆ **Income:** Per capita income increased 12.2% from Rs 33,283 in 2007-08 to Rs 37,490 in 2009-09. Income levels are expected to triple, pushing India from its current position at 12th the world fifth-largest consumer market by 202

◆ **Rooms:** India has about 1.1 lac hotel rooms compared with 1.35 lac rooms in Shanghai. The Planning Commission estimates the scarcity at 1.5 lac rooms by 2010 (source: The Economic Times).

◆ **Airlines:** India's low-cost airlines have widened the hotel industry. The government's decision to substantially upgrade 28 regional airports in smaller towns and privatisation and the expansion of Delhi and Mumbai airports will

improve prospects. The upgrading of national highways connecting various parts of India has opened up new avenues for budget hotels (Source: www.financialexpress.com).

Key facts about India

◆ India ranks 18th in business travel and will be among the top five business destinations by the end of 2010 (source: World Travel and Tourism Council).

◆ India is expected to see an influx of 10 million international tourists by 2010, up from just 5 million in 2007. India's share in global tourism is expected to reach 1.5% by 2010.

◆ India is emerging as one of the most sought after destinations for medical tourism after Singapore, Thailand, Hong Kong, Malaysia, Philippines and Columbia.

◆ The growth in India's tourism market is expected to serve as a boon, driving the growth of several associated industries, including hotel industry, medical tourism industry and aviation industry.

(Source: <http://www.researchandmarkets.com>)

Top 20 cities : a snapshot

boomtowns	Population (million) 2007-08	Average Household income* (Estimates)	Average Household Expenditure*	Share of surplus income (% of income)
Mumbai	20.3	459,457	201,140	56.2
Delhi	15.5	408,237	205,028	49.8
Kolkata	13.8	287,199	174,951	39.1
Chennai	6.9	337,059	155,286	53.9
Bangalore	6.6	300,678	164,923	45.1
Hyderabad	5.7	273,353	149,251	45.4
Ahmedabad	4.8	317,856	134,479	57.7
Pune	5.1	210,458	126,918	39.7
Megacities	78.6	354,090	176,977	50
Surat	4	431,201	190,591	55.8
Kanpur	2.7	159,761	118,567	25.8
Jaipur	3.4	300,374	167,540	44.2
Lucknow	2.6	280,393	152,948	45.5
Nagpur	2.5	308,625	182,871	40.7
Bhopal	2.8	165,210	128,836	22
Coimbatore	1.7	219,846	152,050	30.8
Boomtowns	19.8	283,071	159,407	43.7
Faridabad	2.1	252,558	164,457	34.9
Amritsar	1.9	267,056	164,540	38.4
Ludhiana	1.5	273,211	134,187	50.9
Chandigarh	1.1	484,775	212,805	56.1
Jalandhar	1.1	296,651	229,335	22.7
Niche cities	7.7	304,265	174,287	42.7
All 20 cities	106.1	338,508	173,718	48.7

in Rs. p.a in 2004-05, source: NSHIE, NCAER/FCR analysis

Tourism industry

Global: In 2008, there were 924 million tourist arrivals worldwide. The global tourism industry grew 5% in the first half of 2008 and dropped 100 basis points in the second half. Asia was hit hard since it has enjoyed double-digit growth in 2007 while the Middle East (+11%), Africa (+5%) and The Americas (+4%) were the best performers in 2008. Tourism is expected to recover as soon as the global economy improves. Arrivals are predicted to grow by 2.2% in 2010 and departures are forecast to grow 1.8%. Hotels are predicted to grow 1%, while air travel is forecast to grow 1% in 2010.

Global travel and tourism sectoral growth (%)

	2010
Arrivals	2.2
Departures	1.8
Hotels	0.8
Air	1.0

(source: Euromonitor International)

Domestic: Tourism contributes around 6.8% of India's GDP and 0.5% of global tourism. Foreign tourist arrivals in India increased from 5.08 million in 2007 to 5.37 million in 2008, a 5.6% growth. Foreign exchange earnings from tourism increased from US\$10.73 billion in 2007 to US\$11.75 billion in 2008, a 9.5% growth. Following the slowdown, FTAs during January-March 2009 were 14.61 lac compared with 16.94 lac in January-March 2008 and FEE from tourism declined 31% from US\$3,935 million in January-March 2008 to US\$2,731 million in January-March 2009.

Foreign tourist arrivals and estimated Foreign earnings during the years 1999-2008 and January- march 2009

year	Foreign tourist arrivals (in nos)	Percentage Change over previous year	Estimated Foreign Exchange (Rs. in cr)	Percentage Change over previous year	Estimated Foreign Exchange (in million US\$)	Percentage change over year
1999	2481929	-	12961	-	3009	-
2000	2649378	6.7	15628	20.6	3460	15.0
2001	2597282	-4.2	15068	-3.5	3198	-7.6
2002	2384364	-6.0	15064	-0.1	3103	-3.0
2003	2726214	14.3	20729	37.6	4463	43.8
2004	3457477	26.9	27944	34.8	6170	38.2
2005	3919610	13.3	33123	18.5	7493	21.4
2006	4447167	13.5	39025*	17.8	6643	15.2
2007	5081504	14.3	44360*	13.7	10729	24.3
2008@	5366966	5.6	50730#	14.4	11747#	9.5
2009@ (jan- march)	1460774	-13.8**	13582#	-13.2**	2731#	-30.6**

** advanced estimates *revised estimate @provisional

*percentage change of January-March 2008

Strong GDP growth, improving infrastructure, confidence in the country's economic prospects, open sky policy and the 'Incredible India' campaign has improved the tourism outlook for India. Domestic tourism is gaining momentum on account of rising disposable incomes, cheaper airfares and better connectivity. According to a research University of New South Wales (UNSW), Australian School of Business (ASB), India and China will be the new global players competing for a huge chunk of tourists. The country's travel and tourism

industry is expected to generate around US\$275.5 billion by 2018 over the next ten years (source: World Travel and Tourism Council and Accenture).

The hospitality industry witnessed a challenging 2008, marked by rising tourist inflow, higher occupancy and room rates in the first four months when tourist arrivals were higher by 11.7% YoY. However, the second half was just the reverse on account of terrorist attacks, lower corporate spending, fluctuating dollar and the credit crisis. As per Crisil, the

available room (RevPAR) for premium segment hotels fell by 31.4% YoY in March 2009. The average room rates (ARR) also declined by 19% YoY to Rs 10,398 in March 2009 whereas occupancy levels for the said period declined YoY from 78% to 66%. WTTC indicates that travel GDP is expected to decline 3.5% and hotels may witness a RevPAR fall of 10% to 15%. CRISIL expects demand to decline by 15.5% YoY in 2009-10.

To encourage tourism, the government is planning to propose a conditional 10-year tax holiday for all tourism projects in the country. Companies will enjoy full tax exemption up to 50% of profits, but will qualify for tax benefits for the remaining amount only if they re-invest it in tourism projects. The Centre and States are also working out a PPP (Public-Private-Partnership) model to increase hotel capacity. Efforts to diversify tourist attractions by offering new products such as wellness tourism, medical tourism and golf tourism are expected to have a positive effect on both foreign tourist arrivals and domestic tourism

The Planning Commission's High Level Group on services sector has pegged the room

shortage in the country at 150,000 rooms by 2010, out of which more than 100,000 will be in the budget category. Not only the Indian hotel majors, but even international players have lined up huge capex plans. Investments of US\$ 11 bn over the next 2 years are expected to be earmarked for the hotel industry in India. Further, new segments like budget hotels, service apartments and management contracts are witnessing increasing interest

Prospects: India accounts for 0.5% of world tourism. Strong GDP growth, improving infrastructure, confidence in the country's economic prospects, open sky policy and the 'Incredible India' campaign has improved the outlook for India. This positive outlook would increase the tourist arrival in the country and the hotel industry is expected to be the major beneficiary. Even domestic tourism is gaining momentum. Rising disposable incomes, cheaper airfares and better connectivity would continue to increase the demand for rooms

Many international hotel chains either have or are on the look out for setting up shop in the country. Companies like the Hilton and Hyatt group have already tied up with local giants

East India Hotels and Asian Hotels. This clearly shows that India is on the international tourism radar

Although prospects are promising, as mentioned earlier, any change in the global geopolitical situations can and have adversely affected the performance of this sector. Also, the heightened demand for land, especially from real estate players has led to a steep escalation in the prices. Also, shortage of manpower is going to be a huge challenge going forward. Hotel players with a diversified portfolio across different segments are likely to be the key beneficiaries. This should be one of the determining factors while investing in this sector

According to the 2002 estimates of the World Tourism Organisation (WTO), international tourist inflow in India by 2020 would be 10 m, which means the tourist influx has to grow at a CAGR of 6.5% for the next 14 years. This makes the country one of the fastest growing tourist destinations in the world second only to China. As of FY08, the increase in the tourist arrivals is well inline with the WTO estimates

India's tourism industry

Key Points

Supply	Supply is catching pace. Metros will witness an oversupply situation after four to five years.
Demand	Largely depends on business travelers but tourist traffic is also on the rise. Demand normally spurts in the peak season between November and March.
Barriers to entry	High capital costs, poor infrastructure facilities and scarcity of land especially in the metros.
Bargaining power of suppliers	Limited due to higher competition, especially in the metros.
Bargaining power of customers	Higher in metro cities due to increasing room supply.
Competition	Intense in metro cities, slowly picking up in secondary cities. Competition has picked up due to the entry of foreign hotel chains.

Hospitality industry

The hospitality industry is a part of the tourism industry. Historically viewed as an industry providing a luxury service valuable to the

economy only as a foreign exchange earner, the industry contributes directly to employment (0.15 million) and indirectly facilitates tourism and commerce. The hospitality sector

contributes 5.8% to India's GDP (US\$1.17 trillion in 2007). The organised sector comprises about 30% of the hospitality industry. Within the organized sector, the 5-star

hotel segment contributes 58%.

The first half of 2008-09 was affected by the financial crisis whereas the second half was affected by the terrorist attack in Mumbai. According to industry sources, the aggregate room supply of Delhi, Bangalore, Chennai, Hyderabad, Kolkata and Goa increased 3% to 18,447 rooms daily, whereas aggregate demand declined 12% to 11,352 rooms daily and RevPAR by 11%. During the year, occupancy rates in Delhi decreased to 62% from 73% in FY'08, Bangalore decreased to 59% from 70%, Chennai dipped to 65% from 71% and Hyderabad declined to 59% from 69%, owing to reduced corporate spending leading to a enhanced austerity.

Government initiatives

To catalyse the sector's growth, the government undertook various development initiatives:

- ◆ Launch of 'Incredible India' campaign to promote tourism both in domestic and international markets
- ◆ Recognition of spare rooms available with various house owners by classifying these facilities as 'Incredible India Bed and Breakfast Establishments' under 'Gold' or 'Silver' categories
- ◆ A new category called 'Medical Visa' was introduced for foreign tourists.
- ◆ The Ministry of tourism tied up with the United Nations Development Programme (UNDP) to promote rural tourism.

- ◆ The government declared hotel and tourism as a high priority sector with a provision for 100% foreign direct investment.

Outlook

The Indian hospitality industry is expected to grow for the following reasons:

- ◆ In India, 11 key hospitality markets have been assessed to reveal that NCR (20%), Mumbai (15%) and Bangalore (14%) will witness the highest growth in demand from 2008-2011.
- ◆ The demand for organised hotel rooms is expected to post a compound annual growth rate (CAGR) of 8-10% by 2011.
- ◆ It is estimated that the hospitality sector is likely to see US\$ 11.41 billion in the next two years, with around 40 international hotel brands making their presence in the country by 2011.

India Shining

◆ If Indian tourism demand grows at 8.8% average between 2004 and 2013 (source: World Travel and Trade Council) India would be the world's third fastest growing tourist market.

India's outbound travel is expected to grow from 8 million a year today to 20 million by 2020 (Source: Outlook Business)

"Africa, Asia Pacific and the Middle East are experiencing higher growth rates than the world average, in terms of total travel and tourism demand. While the mature markets most notably the Americas and Europe are falling below the world average." - Country Brand Index (CBI)

A Country Brand Index study ranked countries on the basis of 30 different categories. Of these, India was featured in six segments

like authenticity, history, art and culture, value for money, most impressive last year and rising stars. In the list of most authentic places, that promises to deliver distinctive and unique experiences in the world, India was ranked at the fourth place. While in the league of most historic places, and in the field of art and culture India was ranked at the eighth place across the world. India was the second most preferred destination, in terms of value for money. The report quoted experts as saying that "new markets outgoing Chinese, Indian and Eastern European customers will counteract the possible stagnation of travel from mature markets." India has about 1.1 lac hotel rooms compared to 1.35 lac rooms in just the Chinese commercial capital Shanghai. The Planning Commission estimates the scarcity at 1.5 lac rooms by 2010. (Source: The economic times)

Dubai optimism

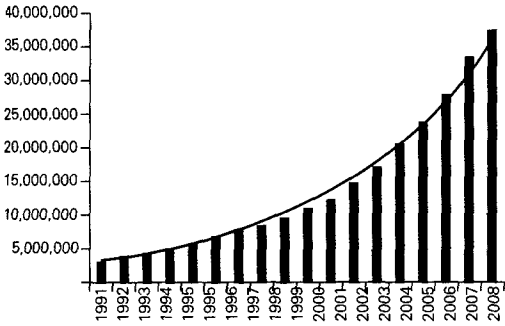
Dubai is the most developed market in the Middle East. In addition to its strategic positioning in the Middle East, Dubai has been able to diversify its economy, moving away from the need for oil revenues to maintain the economy and concentrating on developing the

emirate as a tourism hub. Dubai benefited from the early development and since, positioned itself as the investment capital of the Middle East. The tax free incentive, the development of free zones and access to a vast labour market enabled Dubai to position itself as a regional leader.

In 2008, the number of hotels in Dubai increased to 341 indicating a 3.2% growth with five-star and four-star hotels showing the strongest growth increasing 10.5% and 11.0%.. The number of available rooms increased 7.9% during the same period with the majority of additional rooms being

accounted for in the five-star and four-star categories. Passenger arrivals increased 16.4% with exceptionally large growth from 2004 to 2008, illustrating a 15.7% growth rate during that period. Dubai was the leader in terms of regional RevPAR in 2007. In Dubai, five-star hotels commanded rates well above US\$100 with occupancies above 80%.

Passenger Arrivals – Dubai Airport 1991-2008



Segment/ Product wise Performance

CCIL with its array of products has created a broad framework to meet the clubbing and holidaying needs across the spectrum of population. The present scenario reveals a spurt in the holidaying segment across the young earning professionals plagued by work stress

It's this segment that is driving the two main product categories of holidaying with our time share offer and city centric clubs with their easy access and convenience.

Regular short breaks are on the rise as against the long holidays, thus innately promoting the timeshare holidaying segment. The city centric satellite clubs are more popular for their convenience and accessibility. A health conscious generations is driving this growth

coupled with attractive clubbing facilities like Moksh our 24/7 state of art health spa, Pulse the lounge bar& discothèque, Spice multi cuisine restaurants etc adding to the increased footfall in these clubs. CCIL plans to add more CK27 to its network.

Risks and Concerns

Risk is an integral part of corporate world today for any going concern and our endeavour has been to maximize stakeholder value by achieving an appropriate balance between risks and return. Besides the adverse business scenario experienced by most of the corporate world in the previous year, the Hospitality and Leisure industry always thrives on a dynamic and highly competitive business environment which is directly related to the global economic scenario.

Though macro indicators hint at a possible slowdown across the major developed economies in the ensuing year, the global hospitality and leisure outlook reflects continued optimism.

Your Company too faces several business risks, of which some prominent ones are discussed hereunder alongside the risk mitigation approach followed by the Company:

Expansion risks:

Our capital expenditure plans are subject to a number of variables, including possible cost overruns; construction/development delays; In view of these reasons, IT IS DIFFICULT TO assure execution of our expansion plans as contemplated. Due to time and/or cost overrun, the overall benefit of such plans to our revenues and profitability may decline. Our profitability and financial condition will be negatively affected if the completed and/or planned capital expenditure does not produce the anticipated or desired revenue or cost-

reduction outcomes. External factors like the recent H1N1 virus attack and the resultant pandemonium do have considerable impact too

Continued recessionary pressures going into 2009-10

Independent research agencies predict GDP growth forecasts for 2009 in US and Europe to be negative and APAC, MEA to see a slowdown. Growth is forecasted in the second half of 2009 onwards. Recessionary pressures for a longer period may have a negative effect to our top-line since our revenues directly dependent on memberships and our business is driven not by necessity and hence would not come under priority sector. However the Company has a very strong marketing team and spreading its presence across India and the middle east to ensure it meets its forecasts.

Financial risks

Your Company has been expanding rapidly and has acquired a number of properties pan India. The acquisition and expansion of clubs, in addition to the ongoing renovations, refurbishments and improvements required to maintain or upgrade existing properties, are capital-intensive. Such costs are funded from the operating cash flow and financing. In the event the Company's operations are not as estimated or the Company is unable to access finance by way of borrowings or future fund raise it may run the risk of delay in the completion of its projects, cost overrun which in turn will impact the operations.

Exchange rate risks

The exchange rate between the Indian rupee and the other currencies has changed substantially in last year and may continue to fluctuate significantly in the future. Any strengthening of the Indian rupee against the U.S. dollar or other foreign currencies could

adversely affect our profitability.

Availability of skilled personnel & attrition:

Rising attrition is a major risk in the industry. The Company addresses employee aspirations through well planned career management and job rotation and by giving the employees exposure to multiple domains and geographies. As a result of all these initiatives, the Company has low attrition rate in top and middle level employees

Industry Dissonance Risk:

The Company operates in the Hospitality and Leisure space where utmost customer satisfaction is the key for continued business and patronage. In service dominant industry space like ours customer grievance redressal is a continuous challenge. A dissatisfied customer can make today's market leaders into market laggards.

The Company adopts the following approaches to address these risks:-

Growth engines: The Company systematically focuses on addressing emerging customer trends and needs by developing programs and schemes to meet the needs of every customer be it from the mid market segment to upper market segment We constantly scan the environment for emerging areas and develop offerings of value in the selected areas.

Deep customer relationships: The Company has a deep understanding of its customers' needs and enhances this by engaging systematically with customers on periodic review of customer needs and fulfillment of the same for prospective periods.

Internal Control Systems and Their Adequacy

The Company recognizes the importance of

internal Controls and has suitable internal control system covering all financial and operating functions that is adequate and commensurate with the Company's size and nature of business. Adequate checks and balances and control systems are established to ensure that assets of the Company are safeguarded and transactions are executed under proper authorization and are properly recorded in the books of account. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies. The systems and processes are continually reviewed for its effectiveness and augmented by documented policies and procedures.

The Company has an independent internal audit department headed by a Chartered Accountant. Before beginning the audit for a new financial year, the department draws out their audit program based on risk assessments and in consultation with the Audit committee and Statutory Auditors. Then the department conducts the detailed audit as per the said audit program to ensure that adequate processes, systems and internal controls are implemented strictly. The Audit Committee, which is the sub-committee of your Board of Directors, reviews adherence to internal control systems, internal audit reports and implementation of suggestions. This Committee reviews all quarterly and yearly financial results of the Company and conveys to the Board its recommendation for consideration of such results and their approval.

Human Resource Management (Hrm):

The main objective of the HR System is to attain the support of various business units of the Company and to streamline the different functions related to HRM. CCIL has always believed in creating an environment where our employees feel safe, secure and inspired to achieve excellence in their respective area of functioning.

CCIL is continuously striving towards the implementation of certain HR best practices, with a greater focus on fulfilling and supporting its business needs and simultaneously catering to the enhancement of people processes and procedures in the organization. CCIL provides an environment that can help the employees maintain work-life balance.

We believe in motivating employees and giving them a sense of satisfaction. Overall, our aim is to reduce the environmental forces that create dissatisfaction among the employees.

Cautionary statement

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

Annexure “A” to Directors’ Report

Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement)

1. Company’s philosophy

The Company acknowledges its responsibilities to its stakeholders. Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the quality and mindset of the organisation. The Company believes that Corporate Governance helps to achieve commitment and goals to enhance stakeholder value by focusing towards all stakeholders. The Company is in compliance with the requirements of the revised guidelines on corporate governance stipulated under Clause 49 of the Listing Agreement with the stock exchanges. A Code of Conduct is framed in its pursuit of excellence in Corporate Governance.

The basic philosophy of Corporate Governance of the Company is to achieve business excellence and enhance the shareholder value,

keeping in view the interests of all stakeholders. The Company stands by transparency in all its dealings and strict regulatory compliance. The Company believes that strong Corporate Governance is indispensable for healthy business growth and to be resilient in a vibrant capital market and is an important instrument of investor protection.

2. Board of Directors

a) Composition

The composition of Board of Directors of the Company meets the stipulated requirements. The Board of Directors comprises Chairman and Managing Director, Vice-Chairman, Joint Managing Director and Chief Executive Officer, Vice-Chairman, Joint Managing Director and Chief Operating Officer, Vice-Chairman and Executive Director, five Independent Non-Executive Directors and one Non-Independent

Non-Executive Directors. To be in line with the Company’s philosophy on Corporate Governance, all statutory subjects are placed before the Board to discharge its responsibilities as trustees of the shareholders. The Directors possess experience and specialisation in diverse fields, such as hoteliering, project management, banking and finance administration, among others.

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

Ten Board meetings were held during 2008-09. The dates on which the meetings were held are April 30, 2008, June 30, 2008, July 15, 2008, October 1, 2008, October 20, 2008, October 22, 2008, October 30, 2008, November 29, 2008, December 19, 2008, January 30, 2009. The last Annual General Meeting was held on September 5, 2008. The attendance of the Directors was as under

Name of the Director	Category	Number of other Directorship	Number of Committees In which member	Number of Board Meetings attended	Whether attended last AGM
Sri Y. Rajeev Reddy	Chairman & Managing Director	11	Nil	8	Yes
Sri Y. Siddharth Reddy	Vice-Chairman, JMD & CEO	11	Nil	10	Yes
Sri Y. Varun Reddy	Vice-Chairman, JMD & COO	7	Nil	8	Yes
Sri D. Krishna Kumar Raju	Vice-Chairman & Executive Director	5	Nil	9	Yes
Smt Y. Manjula Reddy	Non-Independent & Non-Executive Director	9	Nil	6	Yes
Sri D. Venkata Krishnam Raju	Independent & Non-Executive Director	Nil	Nil	8	No
Sri P. A. Chandra Sekhar Reddy	Independent & Non-Executive Director	Nil	Nil	6	Yes
Sri D. Venkata Ratna Kishore	Independent & Non-Executive Director	Nil	Nil	4	No
Sri K. Satyanarayana Raju	Independent & Non-Executive Directors	Nil	NIL	4	No
Sri Indukuri Venkata Subba Raju	Independent & Non-Executive Directors	Nil	Nil	4	No

3. Audit Committee

The Audit Committee acts as a link between the statutory and internal auditors and Board of Directors. It addresses itself to matters pertaining to adequacy, accuracy and reliability of financial statements, adequacy of provisioning of liabilities, sound working capital

management analysis, time and cost overruns in implementation of projection opportunities. The Committee also looks into adequacy, transparency and time. The terms of reference of the Audit Committee are in conformity with the provisions of Clause 49 of the Listing Agreement entered with the Bombay Stock

Exchange Limited.

During the year under review, five Audit Committee meetings were held for approval of unaudited / audited financial results on April 30, 2008, June 30, 2008, July 15, 2008, October 30, 2008, and January 30, 2009.

The constitution of the Committee and the attendance of each member at the Committee meetings

Name of the Director	Designation	Wholetime/ Independent	Committee meetings attended
Sri P. A. Chandra Sekhar Reddy	Chairman	Independent Director	5
Sri D. V. Ratna Kishore	Member	Independent Director	5
Sri D. Krishna Kumar Raju	Member	Vice Chairman and Executive Director	5

The meetings of the Audit Committee are attended by the heads of finance and statutory auditor as invitees. The unaudited financial results for each quarter were approved by the Audit Committee before being passed on to the Board of Directors for approval and adoption.

Terms and reference of the Audit Committee include a review of,

- ◆ Financial reporting process
- ◆ Draft financial statements and Auditor's Report (before submission to the Board)

- ◆ Accounting policies and practices
 - ◆ Internal controls and internal audit systems
 - ◆ Risk management policies and practices
 - ◆ Related-party transactions
 - ◆ Internal audit reports and adequacy of internal audit function
- The role of the Audit Committee includes recommending the appointment and removal of the external auditor, discussion of the audit, plan and fixation of audit fee and also approval of payment of fees for any other services.

4. Remuneration Committee

The role of Remuneration Committee is to decide and fix the remuneration payable to the Managing Directors/Wholetime Directors of the Company.

However, the remuneration of the Managing/Wholetime Directors is subject to approval of the Board and the Company in general meeting and such approvals as may be necessary.

The Remuneration Committee consists of the following Directors

Name of the Director	Designation	Nature of Directorship
Sri K. Satyanarayana Raju	Chairman	Independent Director
Sri P. A. Chandra Sekhar Reddy	Member	Independent Director
Sri D. Venkat Krishnam Raju	Member	Independent Director

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

1. To fix the remuneration packages of Executive Directors i.e., Managing Directors and Wholetime Directors, among others.
2. To decide on the elements of remuneration package of all the Directors i.e. salary, benefits, bonus, stock options and pensions, among others.

Details of remuneration to the Directors for the year 2008-09

Name of the Director	Relationship with other Directors	Business relationship with other Directors	Loans and advances from the Company	Remuneration paid during the year 2008-09			
				Sitting fee	Salary (p.m.)	Commission	Total
Sri Y. Rajeev Reddy	Related to Smt Y. Manjula Reddy , Sri Y. Siddharth Reddy, Sri Y. Varun Reddy	Promoter Director, Chairman & Managing Director	Nil	Nil	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, Joint Managing Director & CEO	Nil	Nil	30,00,000	Nil	30,00,000
Sri Y. Varun Reddy	Related to Sri Y. Rajeev Reddy , Smt Y. Manjula Reddy , Sri Y. Siddharth Reddy	Vice-Chairman, Joint Managing Director & COO	Nil	Nil	27,37,500	Nil	27,37,500
Sri D. Krishna Kumar Raju		Vice-Chairman & Executive Director	Nil	Nil	26,25,000	Nil	26,25,000

5. Shareholders' / Investors' Grievance Committee

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

The Shareholders'/Investors' Grievance Committee consists of the following Directors

Name of the Director	Designation	Nature of Directorship
Sri P. A. Chandra Sekhar Reddy	Chairman	Independent Director
Sri Indukuri Venkata Subba Raju	Member	Independent Director
Sri D. Krishna Kumar Raju	Member	Vice-Chairman and Executive Director

The Company Secretary is the Compliance officer of the Company.

The total number of complaints received during 2008-09 was 12. All the complaints were resolved during the year. There was no outstanding complaint as on March 31, 2009.

The complaints were attended to within seven days from the date of receipt of the complaint as communicated by our Registrars and Share Transfer Agents, M/s Aarthi Consultants Pvt. Ltd.

6. General Body Meetings

i). Location and time of the last three AGMs (Annual General Meeting)

AGM	Year	Venue	Date	Time
17th	2007-08	Sri Agrasen Bhavan, 149 Brig Sayeed Road Sappers Line, Secunderabad	September 5, 2008	12:00 noon
16th	2006-07	Sri Agrasen Bhavan, 149 Brig Sayeed Road Sappers Line, Secunderabad	September 29, 2007	12:30 pm
15th	2005-06	Sri Agrasen Bhavan, 149 Brig Sayeed Road Sappers Line, Secunderabad	September 28, 2006	12:30 pm

ii). Special resolutions passed in the previous three AGMs

Date of the AGM	Number of special resolutions passed	Details of the special resolutions
September 5, 2008	2	<ul style="list-style-type: none"> ◆ Subdivision of face value of the equity shares of the Company from Rs. 10 to five equity shares of Rs. 2 each. ◆ Issue of 7 lacs warrants to Mr. Y. Rajeev Reddy the Chairman & Managing Director of the Company
September 29, 2007	9	<ul style="list-style-type: none"> ◆ Offerings of Securities of FCCBs, GDRs and ADRs representing equity shares. ◆ Issue of warrants on preferential basis to Promoter and others ◆ Further issue of equity shares on preferential basis. ◆ Revision of remuneration payable to Mr. Y. Rajeev Reddy, Chairman & Managing Director of the Company. ◆ Revision of remuneration payable to Mr. Y. Siddharth Reddy, Vice-Chairman, Joint Managing Director & CEO. ◆ Revision of remuneration payable to Mr. Y. Varun Reddy, Vice-Chairman, Joint Managing Director & COO. ◆ Appointment of Mr. D. Krishna Kumar Raju as the Wholetime Director of the Company designated as Vice-Chairman & Executive Director of the Company. ◆ Increase in the number of Directors of the Company from twelve to twenty. ◆ Acquisition of Companies by way of purchase of equity shares of the Companies.
September 28, 2006	6	<ul style="list-style-type: none"> ◆ Appointment and remuneration of Sri Y. Varun Reddy as Vice-Chairman, Joint Managing Director & COO for five years with effect from 1st August 2006 ◆ Reappointment of Sri Y. Rajeev Reddy as the Chairman & Managing Director ◆ Revision in remuneration payable to Sri Y. Siddharth Reddy, Vice-Chairman, Joint Managing Director & CEO ◆ Revision of remuneration payable to Smt P. Sujatha Reddy, Wholetime Director ◆ Alteration of Articles of Association consequent to increase in authorised share capital from Rs. 20 cr to Rs. 40 cr ◆ Issue of FCCBs and/of GDRs/ADRs/other convertible securities up to USD 25 million

iii). No special resolution was put through postal ballot during the year 2008-09.

7. Disclosures

A. Disclosure on materially significant related-party transactions i.e. transactions of the Company of material nature with its Promoters, Directors or the management and their subsidiaries or relatives, among others. 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 of standalone and consolidated accounts in the Annual Report of the Company. None of the transactions with the related parties were in conflict with the interest of the Company.

B. Details of non-compliance by the Company, penalties and strictures imposed on it by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during last three years

None

C. Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this Clause

Your Company complied with all the mandatory requirements under Clause 49 of the Listing Agreement. The details of these compliances are given in the relevant sections of this Report.

Notes on Directors' appointment/reappointment

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

Ms. Y. Manjula Reddy is having 6647125 (8.59%) Equity Shares of the Company. No other Non-Executive Director is having any Equity Shares of the Company as on date.

8. Means of communication

i. Financial results: The Company's quarterly, half-yearly and annual results are published in newspapers as per the Clause 41 of the Listing Agreement. The Annual Report and other communication are sent to the shareholders through post.

ii. The financial and other results were published in the following newspapers at Hyderabad

1. Business Standard

2. Andhra Prabha

iii. The results are also displayed on the Company's website, www.countryclubindia.net

iv. The website also displays the official news releases.

As per the listing requirements, the Company publishes periodical financial results in Business Standard in English and Andhra Prabha in Telugu.

Management Discussion and Analysis

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

Statement pursuant to Clause 38 of the Listing Agreement

The Company's equity shares are currently listed on Bombay Stock Exchange Limited (BSE) and the Company has paid the annual listing fee and annual custodian fees to depositors for 2009-10.

9. General shareholder information

a) Details of 18th Annual General Meeting

Date : September 30, 2009

Time : 12.00 Noon

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

b) Financial calendar 2009-10 (tentative schedule)

AGM for the financial year ended on March 31, 2010: Before the end of September, 2010

Adoption of quarterly results for the quarter ending

◆ June 30, 2009 : July 30, 2009

◆ September 30, 2009 : Last week of October 2009

◆ December 31, 2009 : Last week of January 2010

◆ March 31, 2010 : Last week of April 2010

c) Date of book closure :

September 25, 2009 to September 30, 2009 (both days inclusive)

d) Dividend payment date(s) :

Dividend will be paid on or after October 5, 2009.

e) Listing on stock exchange(s) :

Presently, the Company's equity shares are listed at Bombay Stock Exchange Limited (BSE) and the Company has paid the annual listing fees up to 2009-10.

The FCCB's of the Company are listed in Singapore Stock Exchange.

The GDR's of the Company are listed in Luxembourg Stock Exchange.

f) Stock code :

Equity Shares

I) Stock code – Physical

Hyderabad: AMRUINN 138

Mumbai: 526550

II) Demat ISIN Number

NSDL – INE652 F01019

CDSL – INE652 F01019

FCCB : XSO279623788

GDR : US22234B1070

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

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

Month	Bombay Stock Exchange Limited	
	High (Rs.)	Low (Rs.)
April 2008	675.00	575.05
May 2008	698.00	576.05
June 2008	600.00	396.50
July 2008	457.80	326.00
August 2008	400.00	350.00
September 2008	376.70	236.05
October 2008 *	274.50	22.65
November 2008	33.80	19.10
December 2008	21.50	12.25
January 2009	16.99	9.65
February 2009	11.99	7.45
March 2009	12.29	6.80

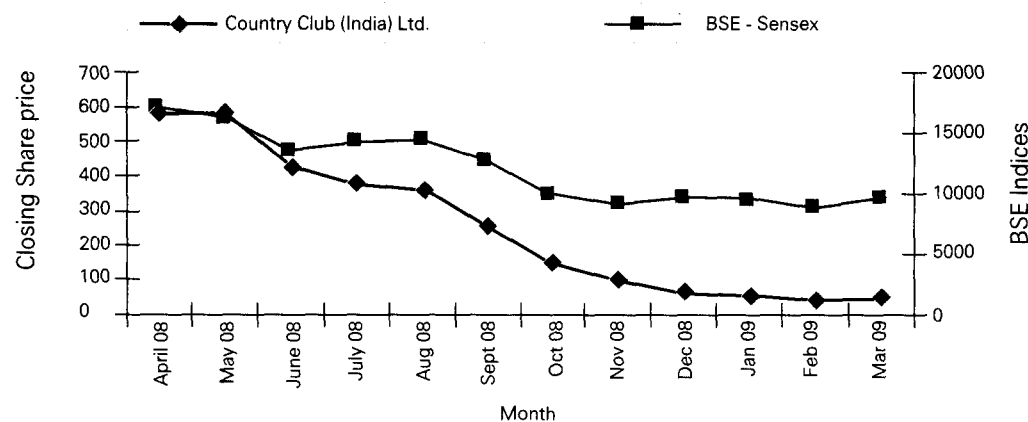
* Pursuant to the approval of the members in the previous AGM held on 05-09-2008, your Company has subdivided its face value of its Equity Shares of Rs. 10/- each into five Equity Shares of Rs. 2/- each with effect from 23-10-2008 and from this date onwards the share has been traded accordingly.

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

The share price of the Company has been moving with the trends of indices

Month	Share price in BSE			BSE – Sensex		
	High (Rs.)	Low (Rs.)	Closing	High (Rs.)	Low (Rs.)	Closing
April 2008	675.00	575.05	588.75	17,480.74	15,297.96	17,287.31
May 2008	698.00	576.05	580.60	17,735.70	16,196.02	16,415.57
June 2008	600.00	396.50	425.25	16,632.72	13,405.54	13,461.60
July 2008	457.80	326.00	381.70	15,130.09	12,514.02	14,355.75
August 2008	400.00	350.00	361.00	15,579.78	14,002.43	14,564.53
September 2008	376.70	236.05	256.60	15,107.01	12,153.55	12,860.43
October 2008*	274.50	22.65	29.35	13,203.86	7,697.39	9,788.06
November 2008	33.80	19.10	19.55	10,945.41	8,316.39	9,092.72
December 2008	21.50	12.25	13.40	10,188.54	8,467.43	9,647.31
January 2009	16.99	9.65	10.65	10,469.72	8,631.60	9,424.24
February 2009	11.99	7.45	7.75	9,724.87	8,619.22	8,891.61
March 2009	12.29	6.80	9.36	10,127.09	8,047.17	9,708.50

* Pursuant to the approval of the members in the previous AGM held on 05-09-2008, your Company has subdivided its face value of its Equity Shares of Rs. 10/- each into five Equity Shares of Rs. 2/- each with effect from 23-10-2008 and from this date onwards the share has been traded accordingly.

Performance Graph

i) Registrar and Transfer Agent

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

jj). Share and transfer system

With a view to expedite the process of share transfers, the Board of Directors of the Company delegated the power of share transfers to the Committee of Directors. The

shares for transfer which are received in physical form are processed and the share certificates returned within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

The Company, as per SEBI Guidelines, offered the facility of transfer-cum-demat. Under the said system, after the share transfer is effected, an option letter is sent to the transferee indicating the details of the transferred shares and requesting him, in case he wishes to

demat the shares, to approach a depository participant (DP) with the option letter. The DP, based on the option letter, generates a demat request and sends the same to the Company along with the option letter issued by the Company. On receipt of the same, the Company dematerialises the shares. In case the transferee does not wish to dematerialise the shares, he need not exercise the option and the Company dispatches the share certificates after 15 days from the date of such option letter.

k. Distribution of shareholdings as on March 31, 2009

Shareholding of nominal value Rs.	Shareholders			Share amount	
	Holders	%	Shares	Rs. total	%
1 - 5000	7883	92	4435890	8871780	5.73
5001 - 10000	384	5	1421896	2843792	1.84
10001 - 20000	129	2	971678	1943356	1.26
20001 - 30000	39	0	494410	988820	0.64
30001 - 40000	21	0	379374	758748	0.49
40001 - 50000	9	0	199969	399938	0.26
50001 - 100000	15	0	526171	1052342	0.68
100001 and above	50	1	68995347	137990694	89.11
Total:	8530	100	77424735	154849470	100

I. According to categories of shareholders as at March 31, 2009

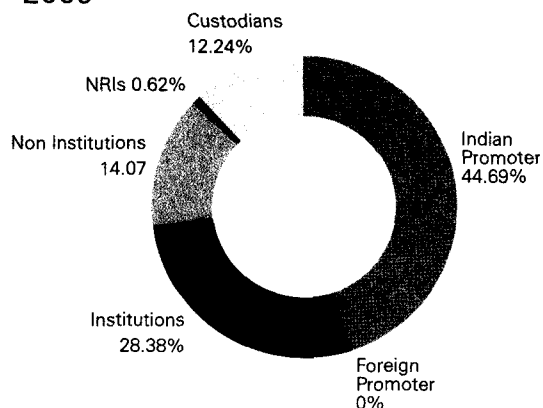
Shareholding pattern

Country Club (India) Limited								
Shareholding pattern as on March 31, 2009								
(Consolidated)								
Category code	Category of Shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)1	As a percentage of (A+B+C)	Number of shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group							
(1)	Indian							
a.	Individuals/Hindu Undivided Family	8	34,597,386	34,346,386	50.92	44.69	0	0
b.	Central Government/ State Government(s)	0	0	0	0	0	0	0
c.	Bodies corporate	0	0	0	0	0	0	0
d.	Financial institutions/Banks	0	0	0	0	0	0	0
	Others	0	0	0	0	0	0	0
e.	Mutual funds	0	0	0	0	0	0	0
f.	Trusts	0	0	0	0	0	0	0
	Sub total (A)(1)	8	34,597,386	34,346,386	50.92	44.69	0	0
(2)	Foreign							
a.	Individuals (non-resident individuals /foreign individuals)	0	0	0	0	0	0	0
b.	Bodies corporate	0	0	0	0	0	0	0
c.	Institutions	0	0	0	0	0	0	0
	Others	0	0	0	0	0	0	0
d.	Overseas corporate bodies	0	0	0	0	0	0	0
	Sub total (A)(2)	0	0	0	0	0	0	0
	Total shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	8	34,597,386	34,346,386	50.92	44.69	0	0
(B)	Public shareholding							
(1)	Institutions							
a.	Mutual funds/UTI	6	6,435,005	6,435,005	9.47	8.31	0	0
b.	Financial institutions/Banks	1	57,000	57,000	0.08	0.07	0	0
c.	Central government /State government(s)	0	0	0	0	0	0	0
d.	Venture capital funds	0	0	0	0	0	0	0

Country Club(India) Limited
Shareholding pattern as on March 31, 2009
(Consolidated)

Category code	Category of Shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage shares of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)1	As a percentage of (A+B+C)	Number of shares	As a percentage
e.	Insurance companies	0	0	0	0	0	0	0
f.	Foreign institutional investors	13	6,332,749	6,332,749	9.32	8.18	0	0
g.	Foreign venture capital investors	0	0	0	0	0	0	0
	Others	0	0	0	0	0	0	0
h.	Foreign companies	2	9,150,000	9,150,000	13.47	11.82	0	0
	Sub total (B)(1)	22	21,974,754	21,974,754	32.34	28.38	0	0
(2)	Non-institutions							
a.	Bodies corporate	270	2,531,925	2,481,425	3.73	3.27	0	0
b.	Individuals	0	0	0	0	0	0	0
i.	Individual shareholders holding nominal share capital							
	Up to Rs.1 lac	8071	7,122,639	4,265,161	10.48	9.2	0	0
ii.	Individual shareholders holding nominal share capital							
	in excess of Rs.1 lac	11	1,055,925	748,425	1.55	1.36	0	0
	Others	0	0	0	0	0	0	0
c.	Non resident individuals	112	478,284	296,784	0.7	0.62	0	0
d.	Overseas corporate bodies	1	75,000	75,000	0.11	0.1	0	0
e.	Trusts	0	0	0	0	0	0	0
f.	Employees	0	0	0	0	0	0	0
g.	Clearing members	34	111,757	111,757	0.16	0.14	0	0
h.	Foreign nationals	0	0	0	0	0	0	0
	Sub total (B)(2)	8499	11,375,530	7,978,552	16.74	14.69	0	0
	Total public shareholding (B)=(B)(1)+(B)(2)	8521	33,350,284	29,953,306	49.08	43.07	0	0
	Total (A)+(B)	8529	67,947,670	64,299,692	100	87.76	0	0
(C)	Shares held by Custodians and against Depository Receipts							
	have been issued	1	9,477,065	9,477,065	0	12.24	0	0
	Grand Total (A)+(B)+(C)	8530	77,424,735	73,776,757	100	100	0	0

Shareholding as on 31st March, 2009



m. Dematerialisation of shares and liquidity

The Company entered into an arrangement with the depository namely NSDL and CDSL for dematerialisation of its shares.

Serial number	Held in physical/name of the depository	Number of shares	% of issued capital
1	Central Depository Services (India) Limited - CDSL	2,673,303	3.45
2	National Securities Depository Limited - NSDL	71,103,454	91.84
3	Physical	3,647,978	4.71
	Total	77,424,735	100.00

n. Outstanding GDRs/ADRs/Warrants :

During the year the Company has issued 7 Lacs and 86 Lacs Warrants. The outstanding quantum of

GDRs, Convertible Warrants and FCCBs are as per the table below

As on 31st March, 2009

Particulars	Outstanding in number/ (value)	Converted in number/(value)	Conversion date	Likely impact
GDRs	9,477,065	12,680,000	N.A.	Nil
Convertible warrants	600,000*	Nil	N.A.	The Company forfeited the received amount.
	700,000	Nil	March 31, 2010	Will result in issue of new 3,500,000 equity shares of Rs. 2 each.
	8,600,000	Nil	January 7, 2011	Will result in issue of new 12,040,000 equity shares of Rs. 2 each.
FCCBs	USD 20.00 Million	USD 5.00 Million	October 17, 2007	Will result in issue of new shares

*The Company forfeited the amount received during the allotment of 6,00,000 warrants, due to non-receipt of the balance 90% amount from the warrant holders.

Conversion date and likely Impact on equity

Conversion of FCCB is with the option of FCCB holders and on conversion of FCCB into equity, there will be a corresponding change in the equity share capital.

o. Address for investor correspondence

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.aarthicconsultants.com
Email: info@aarthicconsultants.com

M/s. Country Club (India) Limited
'Amrutha Castle', 5-9-16, Saifabad
Opp: Secretariat, Hyderabad 500 063
Andhra Pradesh
Email: investorsgrievance@countryclubmail.com

For and on behalf of the Board

For **Country Club (India) Limited**

Place: Hyderabad
Date: June 30, 2009

(Y. Rajeev Reddy)
Chairman and Managing Director

(Y. Siddharth Reddy)
Vice-Chairman, JMD and CEO

Declaration regarding compliance by Board members and senior management personnel with the Company's code of conduct

I, Y. Rajeev Reddy, Chairman & Managing Director of M/s. Country Club (India) Limited hereby declare that all the Board members and senior managerial personnel have affirmed for the year ended 31 March 2009 compliance with the code of conduct of the Company laid down for them.

Place: Hyderabad
Date: June 30, 2009

(Y. Rajeev Reddy)
Chairman and Managing Director

(Y. Siddharth Reddy)
Vice-Chairman, JMD and CEO

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

I, Y. Siddharth Reddy, Vice-Chairman, Joint Managing Director and CEO of M/s. Country Club (India) Limited certify:

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31st, March 2009 and to the best of our knowledge and belief;

- ◆ These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
- ◆ These statements present a true and fair view of the Company's affair and are in compliance with the existing accounting standards, applicable laws and regulations.

2. That there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct;

3. That we accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which we are aware and the steps that we have taken or purpose to take and rectify the identified deficiencies; and

4. That we have informed the auditors and the Audit Committee of:

- a) Significant changes in the internal control during the year;
- b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- c) There are no instances of significant fraud of which we have become aware.

Place: Hyderabad

Date: 30-06-2009

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

2. Compliance Certificate on Corporate Governance

To

The Members,

Country Club (India) Limited
Hyderabad

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of corporate governance of M/s Country Club (India) Limited ("the Company") for the year ended 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

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

P. Murali Mohana Rao
Partner

Place: Hyderabad

Date: 30.06.2009

Financial Section

Auditors' Report on Consolidated Accounts

To
The Board of Directors of
COUNTRY CLUB (INDIA) LIMITED

We have audited the attached Consolidated Balance Sheet of **COUNTRY CLUB (INDIA) LIMITED** and its subsidiaries (the Group) as at March 31, 2009 and also the Consolidated Profit & Loss Account and Consolidated Cash Flow Statement for the period ended on the date annexed thereto. These consolidated financial statements are the responsibility of the Country Club (India) Ltd's Management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

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

We did not audit the financial statements of some consolidated entities, Country Club Babylon Resorts Pvt Ltd, Country Vacations International

Limited and Country Vacations International LLC for the year ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion in respect thereof is based solely on the report of such other auditors.

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

- i) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2009:
- ii) In the case of the Consolidated Profit and Loss Account, of the Profit of the Group for the year ended on that date; and
- iii) In the case of the Consolidated Cash Flow, of the Cash flow of the Group for the period ended on that date.

For P. Murali & Co.,
Chartered Accountants

Place: Hyderabad
Date : June 30, 2009

P. Murali Mohana Rao
Partner

Consolidated Balance Sheet as at March 31, 2009

(Amount in Rupees)

Particulars	Schedule	As at 31.03.2009	As at 31.03.2008
I SOURCES OF FUNDS			
1. Shareholders Funds			
a) Capital	1	154,849,470	154,849,470
Equity Share Warrants	1A	89,900,000	36,000,000
b) Reserves & Surplus	2	7,001,214,235	5,825,070,812
c) Membership Fee		537,075,795	663,527,553
2. Loan Funds			
a) Secured Loans	3	19,539,747	10,488,219
b) Unsecured Loans	4	1,112,600,599	910,276,928
3. Deferred Income Tax Liability		164,207,002	114,489,590
Total		9,079,386,848	7,714,702,572
II APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	5	6,464,537,742	3,574,764,137
b) Less: Depreciation		424,690,750	258,521,153
c) Net Block		6,039,846,992	3,316,242,984
d) Capital Work in progress		1,915,056,775	965,057,355
2. Investments	6	23,614,688	50,000
3. Current Assets, Loans & Advances			
a) Inventory		15,491,937	5,821,695
b) Sundry Debtors	7	75,970,083	45,967,275
c) Cash and Bank Balances	8	173,927,598	2,930,254,830
d) Loans & Advances	9	1,856,717,461	1,172,369,557
Less: Current Liabilities & Provisions	10	1,168,623,719	722,507,256
Net Current Assets		953,483,360	3,431,906,101
4. Miscellaneous Expenditure	11	147,385,033	1,446,132
(to the extent not written off or adjusted)			
Total		9,079,386,848	7,714,702,572
Notes to Accounts	18		

As per our report of even date

For P. Murali & Co.,
Chartered Accountants

For and on behalf of the Board
COUNTRY CLUB (INDIA) LIMITED

P. Murali Mohana Rao
Partner

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

S. Subba Rao
Company Secretary

Place: Hyderabad
Date : June 30, 2009

Consolidated Profit and Loss Account for the year ended March 31, 2009

(Amount in Rupees)

Particulars	Schedule	Year ended 31.03.2009	Year ended 31.03.2008
1. INCOME			
Guest Accommodation, Restaurant and Banquets Sales		692,563,340	224,598,839
Subscription from Members & Others		3,370,983,297	2,915,474,160
Facilities		20,797,674	7,012,853
Total		4,084,344,311	3,147,085,852
2. EXPENDITURE			
Consumables & Provisions	12	179,336,245	80,430,012
Personnel Cost	13	1,206,679,817	839,649,688
Upkeep & Service Cost	14	196,616,073	146,320,528
Interest & Financial Charges	15	141,528,544	126,394,190
General Expenses	16	1,468,299,743	875,189,010
Audit Fee		363,237	344,882
Depreciation		166,188,050	67,995,919
Miscellaneous Expenses Written Off		194,432	178,814
Total		3,359,206,141	2,136,503,043
3. PROFIT			
Profit / (Loss) before Tax		725,138,170	1,010,582,809
Provision for Tax	17	72,642,827	360,438,921
Profit after Tax		652,495,343	650,143,888
Prior Period Income/ (Expenses)			
Profit after Tax & Adjustments		652,495,343	650,143,888
Balance Brought Forward		906,330,200	341,419,539
Available for Appropriations		1,558,825,543	991,563,427
4. APPROPRIATIONS			
General Reserve		7,300,000	49,000,000
Statutory Reserve		2,131,203	-
Provision for Dividend		30,969,894	30,969,894
Provision for Dividend Tax		5,263,333	5,263,333
Balance Carried Forward		1,513,161,113	906,330,200
Earning Per Share		8.43	44.57
Notes to Accounts	18		

As per our report of even date

For P. Murali & Co.,
Chartered Accountants

For and on behalf of the Board
COUNTRY CLUB (INDIA) LIMITED

P. Murali Mohana Rao
Partner

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

S. Subba Rao
Company Secretary

Place: Hyderabad
Date : June 30, 2009

Schedules to Consolidated Accounts

(Amount in Rupees)

Particulars	As at 31.03.2009	As at 31.03.2008
1 SHARE CAPITAL		
Authorised Capital		
20,00,00,000 Equity Shares of Rs.2/- each (Previous year 4,00,00,000 Equity Shares of Rs.10/- each)	400,000,000	400,000,000
Issued, Subscribed, Paid up		
7,74,24,735 Equity Shares of Rs.2/- each (Previous year 1,54,84,947 Equity Shares of Rs.10/- each)	154,849,470	154,849,470
	154,849,470	154,849,470
	As at 31.03.2009	As at 31.03.2008
1A SHARE WARRANTS		
7,00,000 partly paid share warrants of Rs.770/- each to be converted into equity share of Rs.10/- each at a premium of Rs.760/-	53,900,000	-
6,00,000 partly paid share warrants of Rs.600/- each to be converted into equity share of Rs.10/- each at a premium of Rs.590/-	36,000,000	36,000,000
	89,900,000	₹ 36,000,000
	As at 31.03.2009	As at 31.03.2008
2 RESERVES & SURPLUS		
Capital Reserve	27,688,694	27,688,694
Revaluation Reserve	24,270,349	24,270,349
General Reserve	83,300,000	76,000,000
Share Premium	4,790,781,569	4,790,781,569
Statutory Reserve	2,131,203	-
Balance in Profit & Loss Account	1,513,161,113	906,330,200
Foreign Currency Translation Reserve	559,881,307	-
	7,001,214,235	5,825,070,812
	As at 31.03.2009	As at 31.03.2008
3 SECURED LOANS		
Leave License Deposit	500,000	500,000
Equipment Finance	19,039,747	9,988,219
(Loan from Citibank, Saraswath Co-Op Bank Ltd. and National Bank of Abu Dhabi for Vehicles and the same were secured by way of hypothecation of the Vehicles)		
	19,539,747	10,488,219

Schedules to Consolidated Accounts

(Amount in Rupees)

Particulars	As at 31.03.2009	As at 31.03.2008
4 UNSECURED LOANS		
Membership Refundable	75,480,710	91,130,951
Others	19,919,889	21,145,977
Foreign Currency Convertible Bonds	1,017,200,000	798,000,000
	1,112,600,599	910,276,928

5 FIXED ASSETS										
Particulars	Gross Block As on 31.03.2008	Additions during the year	Deletions/ Adjustments during the year	Gross Block As on 31.03.2009	Depreciation Up to 01.04.2008	Depreciation during the year	Deletions/ Adjustment Dep during the year	Depreciation As on 31.03.2009	Net Block As on 31.03.2009	Net Block As on 31.03.2008
Goodwill	439,115,336	4,859,915	-	443,975,251	-	-	-	-	443,975,251	439,115,336
Land & Site Development	439,036,295	103,056,776	-	542,093,071	-	-	-	-	542,093,071	439,036,295
Buildings	2,182,369,803	2,300,365,623	-	4,482,735,426	141,293,754	81,296,522	-	222,590,276	4,260,145,150	2,041,076,049
Furniture & Fixtures	153,944,413	240,230,427	-	394,174,840	35,297,866	38,513,265	-	73,811,131	320,363,709	118,646,547
Plant & Machinery	265,716,701	178,300,849	141,339	443,876,211	60,160,457	27,298,684	18,453	87,440,688	356,435,523	205,556,244
Computers	45,747,148	28,004,954	-	73,752,102	10,367,575	10,050,322	-	20,417,897	53,334,205	35,379,573
Vehicles	39,360,382	35,096,400	-	74,456,782	10,348,828	7,976,584	-	18,325,412	56,131,370	29,011,554
Brand Development	9,474,059	-	-	9,474,059	1,052,673	1,052,673	-	2,105,346	7,368,713	8,421,386
	3,574,764,137	2,889,914,944	141,339	6,464,537,742	258,521,153	166,188,050	18,453	424,690,750	6,039,846,992	3,316,242,984

	As at 31.03.2009	As at 31.03.2008
6 INVESTMENTS		
Swami Vivekanand Training & Education Centre Private Limited 168 Equity Shares of Rs.100/- each	Not Quoted 23,501,688	Not Quoted -
Swimwell Investment and Trading Private Limited 1,500 Equity Shares of Rs.10/- each	15,000	-
The Hubli Urban Co-Op Bank	48,000	-
Investment - KCCB Bank Shares	50,000	50,000
	23,614,688	50,000

	As at 31.03.2009	As at 31.03.2008
7 SUNDRY DEBTORS		
(Unsecured & Considered good)		
Debts outstanding exceeding more than six months	18,750,146	17,715,164
Others	57,219,937	28,252,111
	75,970,083	45,967,275

Schedules to Consolidated Accounts

(Amount in Rupees)

Particulars	As at 31.03.2009	As at 31.03.2008
8 CASH AND BANK BALANCES		
Cash on Hand	23,884,612	26,051,439
Cash with Banks		
Scheduled Banks - on Current a/c	142,837,006	396,220,475
Scheduled Banks - on Fixed Deposit	2,586,468	2,505,132,268
Scheduled Banks - Foreign	3,154,476	2,111,298
Other Banks - on Current a/c	1,420	3,022
Dividend Bank A/C - 2006-07	723,028	736,328
Dividend Bank A/C - 2007-08	740,588	-
	173,927,598	2,930,254,830

	As at 31.03.2009	As at 31.03.2008
9 LOANS & ADVANCES		
Advances for Capital Goods	1,057,456,426	876,089,374
Advances to Suppliers	1,535,414	1,743,837
Other Advances	595,382,937	144,907,306
Deposits	202,342,684	149,629,040
	1,856,717,461	1,172,369,557

	As at 31.03.2009	As at 31.03.2008
10 CURRENT LIABILITIES & PROVISIONS		
Creditors for Capital Goods	82,886,623	51,241,206
Sundry Creditors	362,156,241	176,462,642
Other Liabilities	154,970,083	71,889,747
Outstanding Expenses	530,065,929	336,806,145
Income Tax Provisions	848,000	49,137,961
Dividend Provision - Current year	30,969,894	30,969,894
Dividend Tax Provision	5,263,333	5,263,333
Unpaid Dividend A/C - 2006-07	723,028	736,328
Unpaid Dividend A/C - 2007-08	740,588	-
	1,168,623,719	722,507,256

	As at 31.03.2009	As at 31.03.2008
11 MISCELLANEOUS EXPENDITURE		
Preliminary Expenses	4,560	20,829
Miscellaneous Expenditure	146,133,333	-
Selling Deferred Expenses	1,247,140	1,425,303
	147,385,033	1,446,132

Schedules to Consolidated Accounts

(Amount in Rupees)

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
12 CONSUMABLES & PROVISIONS		
Opening Stock	5,821,695	1,743,599
Add: Purchases	189,006,488	84,508,108
Less: Closing Stock	15,491,937	5,821,695
	179,336,245	80,430,012

	Year ended 31.03.2009	Year ended 31.03.2008
13 PERSONNEL COST		
Salaries & Other Benefits	1,159,589,133	807,336,549
Contribution to PF & Other Funds	18,098,858	10,676,424
Staff Welfare Expenses	28,991,826	21,636,715
	1,206,679,817	839,649,688

	Year ended 31.03.2009	Year ended 31.03.2008
14 UPKEEP & SERVICE COST		
Building Maintenance	2,356,615	2,534,986
Repairs & Maintenance	85,453,628	93,075,338
Power & Fuels	108,805,830	50,710,204
	196,616,073	146,320,528

	Year ended 31.03.2009	Year ended 31.03.2008
15 INTEREST & FINANCIAL CHARGES		
Interest	7,232,774	4,186,106
Financial Charges	134,295,770	122,208,084
	141,528,544	126,394,190

Schedules to Consolidated Accounts

(Amount in Rupees)

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
16 GENERAL EXPENSES		
Travelling & Conveyance	72,281,896	56,957,890
Printing & Stationery	96,244,190	72,961,456
Postage, Telegrams & Telephones	179,436,682	100,825,892
Rent	249,416,945	96,093,729
Rates & Taxes	36,440,211	27,987,744
Insurance	11,627,960	9,908,472
Advertisement Expenses	466,159,455	387,141,251
Other Marketing Expenses	165,812,403	93,714,847
Other Administrative Expenses	159,433,131	21,929,972
Legal & Professional Charges	31,446,870	7,667,757
	1,468,299,743	875,189,010

	Year ended 31.03.2009	Year ended 31.03.2008
17 PROVISION FOR TAXATION		
Provision for Tax - Current Year	9,091,135	309,318,070
Deferred Income Tax for Current Year	49,717,412	40,010,411
Provision for Fringe Benefit Tax	13,834,280	11,110,440
	72,642,827	360,438,921

18 NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

General:

- These accounts are prepared on the historical cost basis and on the accounting principles of a going concern.
- Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

Revenue Recognition:

- The Company follows the Mercantile system of Accounting and recognises income and expenditure on accrual basis.
- Revenue is not recognised on the grounds of prudence, until realised in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

Investments:

Investments are stated at cost i.e. cost of acquisition, inclusive of expenses incidental to acquisition wherever applicable.

Fixed Assets:

Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition of Fixed Assets is inclusive of freight, duties, taxes and incidental expenses thereto.

Depreciation:

Depreciation is provided on straight line method on pro-rata basis and at the rates and manner specified in the Schedule XIV of the Companies Act, 1956.

Schedules to Consolidated Accounts

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

Capital Work-in-Progress:

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

Inventories:

Inventories are valued at cost or market price whichever is lower.

Taxation:

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

Deferred tax asset and liability is recognised for future tax consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per the financial statements. Deferred tax asset and liability are measured as per the tax rates/laws that have been enacted or substantially enacted by the Balance Sheet date.

Earnings Per Share:

The earnings considered in ascertaining the Company's earnings per share comprises net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

Gratuity:

The Company has not made any provision for Gratuity to its employees. Gratuity payable will be accounted as and when payments are made and as such the Liability has not been ascertained.

B. NOTES ON ACCOUNTS

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

(Amount in Rupees)

Sl. 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	27,37,500
4	Mr. D. Krishna Kumar Raju	Vice-Chairman & Executive Director	26,25,000

2. Managerial Remuneration:

(Amount in Rupees)

	Current year	Previous year
Directors' Remuneration	1,19,62,500	1,12,80,000
Brand Ambassador Fee	48,00,000	48,00,000
Commission	-	2,00,00,000

3. Auditor's Remuneration:

(Amount in Rupees)

	Current year	Previous year
Audit Fee	3,63,237	3,44,882

4. Foreign Currency Convertible Bonds are restated at the exchange rates prevailing at the year end and the difference out of such restatement is transferred to "Foreign Currency Monetary Item Translation Difference Account." 1/3 of the difference amount is transferred to Gain/Loss account during the year.

Schedules to Consolidated Accounts

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

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

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

ii) Income of the Company includes the following:

(Rupees in lakhs)

	Current year	Previous year
Guest Accommodation, Food & Beverages	6,925.63	2,245.99
Subscription, Facilities & Others	33,917.81	29,224.87

iii) Consumption of Provisions and Stores

(Rs. in Lakhs)

	Opening Stock	Purchases	Closing Stock	Consumption
Food & Beverages, Consumables & Disposables	58.22	1,890.06	154.92	1,793.36
	(17.44)	(845.08)	(58.22)	(804.30)

Note: Previous year's figures are given in brackets.

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

A.

Sl. No.	Name of Related Party	Relationship
1	Amrutha Estates Private Limited	Associate Company
2	Amrutha Estates & Hospitality Private Limited	Associate Company
3	Aquarian Realtors Private Limited	Subsidiary Company
4	Aakruti Engineers Private Limited	Subsidiary Company
5	Country Club Bangalore Limited	Associate Company
6	Kolet Resort Club Private Limited	Subsidiary Company
7	Zen Garden Hotel Private Limited	Associate Company
8	Country Vacations International LLC	Step-Down Subsidiary Company
9	Country Vacations International Limited	Subsidiary Company
10	Mr. Y. Rajeev Reddy	CMD
11	Mrs. Y. Manjula Reddy	Director

B. Transactions during the year with Related Parties.

(Amount in Rupees)

Nature of Transaction	Subsidiary Companies including step-down Subsidiaries	Associate Companies	Other Related Parties
Lease Rentals	10,20,000	39,12,000	49,57,200
Land	-	23,76,39,250	-
Investments in Shares	173,12,63,914	-	-
Commission Received	14,89,98,863	-	-
Commission Paid	18,00,000	-	-

Schedules to Consolidated Accounts

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

7. There are no dues to SSI Units outstanding for more than 30 days.
8. Confirmations were obtained from debtors/creditors as to the balances receivable from/payable to them as at year end.
9. In accordance with Accounting Standard 22 (As 22) issued by the ICAI, the Company has accounted for deferred income tax during the year. The deferred income tax provision for the current year amounts to Rs.4,97,17,412/- towards deferred income tax liability. (Previous year Rs. 4,00,10,411/- towards deferred income tax liability).
10. Vehicle loans are availed by the Company from Citibank, Saraswath Cooperative Bank Ltd. and National Bank of Abu Dhabi secured against specific vehicles.
11. Previous year's figures have been regrouped wherever necessary.
12. The inter Company transactions have been eliminated while preparation of Consolidated Financial Statements.
13. The figures have been rounded off to the nearest rupee.
14. The Company during the year has acquired the following Subsidiary Companies on the date given below.

Sl. No.	Name of the Subsidiary	Acquisition Date	Extent of holding
1	Country Vacations International Limited	14-04-2008	100%
2	Country Vacations International LLC	30-04-2008	100%
3	Maruti Waterpark and Entertainments Private Limited	25-04-2008	100%

Signatures to schedules 1 to 18

As per our report of even date

For P. Murali & Co.,
Chartered Accountants

P. Murali Mohana Rao
Partner

Y. Rajeev Reddy
Chairman & Managing Director

For and on behalf of the Board
COUNTRY CLUB (INDIA) LIMITED

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

S. Subba Rao
Company Secretary

Place: Hyderabad

Date : June 30, 2009

Consolidated Cash Flow Statement for the year ended March 31, 2009

(Rupees in Lakhs)

	Current year	Previous year
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Taxation and Extraordinary Items	7,251.38	10,105.83
Adjustment for :		
Depreciation	1,661.88	679.96
Interest Expenses	72.33	1,263.94
Written off Expenses	1.94	1.79
Excess amount charged to deferred tax in B.S	-	27.59
Foreign Currency Translation Reserve in B.S	5,598.81	-
Operating Profit before Working Capital Changes	14,586.35	12,079.11
Trade and Other Receivables	(7,143.51)	(9,560.37)
Inventories	(96.70)	(42.22)
Trade Payables	3,869.39	(690.88)
Cash Generated from Operations	11,215.53	1,785.64
Direct Tax Paid	-	-
Extraordinary Items	-	-
Net Cash Flow after Extraordinary Items	11,215.53	1,785.64
Net Cash Flow From Operating Activities	11,215.53	1,785.64
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(38,397.73)	(27,434.25)
(Purchase of Fixed assets includes Capital Work-in-Progress)	-	-
Miscellaneous Expenses incurred	(1,461.33)	(0.16)
Investments In Subsidiary Companies	(235.65)	(0.50)
Sale of Fixed Assets	-	21.82
Net Cash in Investing Activities	(40,094.71)	(27,413.08)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Shares (GDR/QIP/FCCB)	-	48,582.92
Proceeds from Issue of Warrants	539.00	360.00
Proceeds from Membership Fees	(1,264.52)	(1,107.04)
Proceeds from Long Term Loans	90.52	49.43
Repayment of Term Loans	-	-
Received Unsecured Loans	2023.24	-
Repayment of Unsecured Loans	-	(3,140.80)
Interest Paid	(72.33)	(1,263.94)
Net cash used in Financing Activities	1,315.91	43,480.57
Net Increase in Cash and Cash Equivalents	(27,563.27)	17,853.13
Cash and Cash Equivalents (Opening Balance)	29,302.55	11,449.42
Cash and Cash Equivalents (Closing Balance)	1,739.28	29,302.55

For and on behalf of the Board
COUNTRY CLUB (INDIA) LIMITED

Place: Hyderabad
Date : June 30, 2009

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

S. Subba Rao
Company Secretary

Certificate

To,

The Board of Directors,

COUNTRY CLUB (INDIA) LIMITED

Hyderabad

We have examined the attached Consolidated Cash Flow Statement of M/s COUNTRY CLUB (INDIA) LIMITED for the year ended March 31, 2009. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of June 30, 2009 to the members of the Company.

Place : Hyderabad

Date : June 30, 2009

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

P. Murali Mohana Rao
Partner

Section 212

Statement Pursuant to 212(8) of the Companies Act, 1956, related to Subsidiary Companies for the year ended on March 31, 2009

Sl. No.	Particulars Name of the Subsidiary Company	Financial year	Shareholding		The net aggregate of profit/(loss) of the Subsidiary for the above financial year so far as they concern the members of the Company and is not dealt with in the accounts of the Company		Change in the holding Companies interest in the subsidiaries between the end of the financial year of the subsidiary and end of the holding Company's financial year	Material Changes which have occurred between the end of the aforesaid financial year of the subsidiaries and end of the holding Company's financial year in respect
			Number of Shares	%	Financial year ended on March 31, 2009 (Amount in Rupees)	Previous year (Amount in Rupees)		
1	Aquarian Realtors Private Limited	31-03-2009	1,000 Equity Shares of Rs.100/- each	100	(2,144,680)	(175,115)	Not applicable as financial year coincides with that of the holding Company	As the financial year of both holding and Subsidiary Companies coincide, there are no particulars to furnish
2	Aakruti Engineers Private Limited	31-03-2009	10,000 Equity Shares of Rs.100/- each	100	186,958	99,675	-do-	-do-
3	Bush Betta Holiday Ownership Wildlife Adventure Resort Private Limited	31-03-2009	10,00,000 Equity Shares of Rs.10/- each	100	(1,242,002)	(291,002)	-do-	-do-
4	Country Club Babylon Resorts Private Limited	31-03-2009	50,000 Equity Shares of LKR 1,000/- each	100	(6,395,739)	(224,834)	-do-	-do-
5	Chanakyapuri Resorts Private Limited	31-03-2009	70,000 Equity Shares of Rs.100/- each	100	(1,508,049)	(79,743)	-do-	-do-
6	J.J. Arts and Entertainments Private Limited	31-03-2009	1,50,000 Equity Shares of Rs.10/- each	100	(2,258,922)	(1,306,271)	-do-	-do-
7	Jade Resorts Private Limited	31-03-2009	10,000 Equity Shares of Rs.10/- each	100	(4,666,905)	Nil	-do-	-do-
8	Kolet Resort Club Private Limited	31-03-2009	14,99,800 Equity Shares of Rs.10/- each	100	(2,703,498)	(4,348,721)	-do-	-do-
9	Bright Resorts Private Limited	31-03-2009	18,450 Equity Shares of Rs.100/- each	100	(10,527,895)	(4,227,559)	-do-	-do-
10	Maruti Waterpark and Entertainments Private Limited	31-03-2009	2,32,400 Equity Shares of Rs.10/- each	100	(5,515)	195,595	-do-	-do-
11	Country Vacations International Limited	31-03-2009	1000 Equity Shares of UAE Dirhams.1/- each	100	601,416,433	-	-do-	-do-

Auditors' Report

To
The Members,
COUNTRY CLUB (INDIA) LIMITED

We have audited the attached Balance Sheet of **COUNTRY CLUB (INDIA) LIMITED** as at March 31, 2009 and also the Profit & Loss Account for the period ended on the date annexed thereto and the cash flow statement for the period ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our Audit;
- ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- iii) The Balance Sheet & Profit and Loss Account dealt with by this report are in agreement with the books of account;

- iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of Companies Act, 1956;
- v) On the basis of written representations received from the Directors, as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2009 from being appointed as Director in terms of clause(g) of sub-section(1) of Section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
 - b) In the case of the Profit & Loss Account, of the Profit for the period ended on that date;
and
 - c) In the case of the Cash Flow, of the cash flows for the period ended on that date;

For P. Murali & Co.,
Chartered Accountants

Place: Hyderabad
Date : June 30, 2009

P. Murali Mohana Rao
Partner

Annexure to the Auditors' Report

- I.
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
 - b) As explained to us, the Fixed Assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
 - c) The Company has not disposed off substantial part of the Fixed Assets during the year.
- II.
 - a) The Inventory has been physically verified during the year by the Management and in our opinion, the frequency of verification is reasonable.
 - b) In our opinion, the procedures of the physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

The Company is maintaining proper records of inventory and as explained to us, no material discrepancies were noticed on physical verification of stocks as compared to book records.
- III.
 - a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other Parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
 - b) As the Company has not granted any loans, the Clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the Register maintained under Section 301 is prejudicial to the interest of Company is not applicable.
 - c) As no loans are granted by the Company, the clause of receipt of interest & principal amount from parties, is not applicable to the Company.
 - d) No loans have been granted to Companies, Firms and other parties listed in the Register under section 301 of the Companies Act, 1956. Hence overdue amount of more than Rupees One Lakh does not arise and the clause is not applicable.
 - e) The Company has not taken any loans, secured or unsecured from Companies, Firms or other Parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- f) As the Company has not taken any loans, the clause of whether the rate of interest and other terms and conditions on which loans have been taken from parties listed in the registered maintained under section 301 is prejudicial to the interest of the Company, is not applicable.
- g) As no loans are taken by the Company, the clause of repayment of interest & principal amount to parties, is not applicable to the Company.
- IV. In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and Fixed Assets and for sale of goods and services. There is no continuing failure by the Company to correct any major weaknesses in internal control.
- V.
 - a) In our opinion and according to the information and explanation given to us, since no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been made by the Company in respect of any party in the financial year, the entry in the Register under Section 301 of the Companies Act, 1956 does not arise.
 - b) According to the information and explanations given to us, as no such contracts or arrangements made by the Company, the applicability of the clause of charging the reasonable price having regard to the prevailing market prices at the relevant time does not arise.
- VI. The Company has not accepted any deposits from the public. Hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of Section 58A, 58AA or any other relevant provisions of the Act and the rules framed thereunder does not arise. As per information and explanations given to us the order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not been received by the Company.
- VII. In our opinion, the Company is having internal audit system, commensurate with its size and nature of its business.
- VIII. In respect of the Company, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-

Annexure to the Auditors' Report (Contd.)

section(1) of Section 209 of the Companies Act, 1956.

- IX. a) The Company is regular in depositing statutory dues including PF, ESI, Income Tax, Cess and any other statutory dues with the appropriate authorities and at the end of last financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable.
- b) According to the information and explanations given to us, no undisputed amounts are payable in respect of PF, ESI, Income Tax, Cess and any other statutory dues as at the end of the period, for a period more than six months from the date they became payable.
- X. The Company has been registered for a period of not less than 5 years, and the Company has no accumulated losses at the end of the financial year and the Company has not incurred cash losses in this financial year and in the immediately preceding financial year.
- XI. According to the information and explanations given to us, the Company has not taken any loans from financial Institutions or banks. Hence this clause of repayment of dues to the Financial Institution or Banks or debenture holders and defaulted payment therein is not applicable to the Company.
- XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities. Hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII. This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/Societies.
- XIV. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, Debentures and other investments. Hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions. Hence the applicability of this clause

regarding terms and conditions which are prejudicial to the interest of the Company does not arise.

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

For P. Murali & Co.,
Chartered Accountants

Place: Hyderabad
Date : June 30, 2009

P. Murali Mohana Rao
Partner

Balance Sheet as at March 31, 2009

(Amount in Rupees)

Particulars	Schedule	As at 31.03.2009	As at 31.03.2008
I SOURCES OF FUNDS			
1. Shareholders Funds			
a) Capital	1	154,849,470	154,849,470
Equity Share Warrants	1A	89,900,000	36,000,000
b) Reserves & Surplus	2	5,905,850,262	5,844,937,255
c) Membership Fee		517,572,725	644,024,483
2. Loan Funds			
a) Secured Loans	3	8,065,614	9,988,219
b) Unsecured Loans	4	1,092,680,710	889,130,951
3. Deferred Income Tax Liability		159,617,173	111,552,784
Total		7,928,535,954	7,690,483,162
II APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	5	3,397,184,187	2,911,016,147
b) Less: Depreciation		391,720,007	277,357,067
c) Net Block		3,005,464,180	2,633,659,080
d) Capital Work in progress		1,847,170,076	955,625,750
2. Investments	6	2,082,356,271	324,436,091
3. Current Assets, Loans & Advances			
a) Inventory		5,386,777	5,821,695
b) Sundry Debtors	7	48,989,414	43,068,257
c) Cash and Bank Balances	8	157,686,115	2,927,576,942
d) Loans & Advances	9	2,123,230,844	1,483,624,952
Less: Current Liabilities & Provisions	10	1,487,881,056	683,329,605
Net Current Assets		847,412,094	3,776,762,241
4. Miscellaneous Expenses		146,133,333	-
(to the extent not written off or adjusted)			
Total		7,928,535,954	7,690,483,162
Notes on Accounts	17		

As per our report of even date

For P. Murali & Co.,
Chartered Accountants

For and on behalf of the Board
COUNTRY CLUB (INDIA) LIMITED

P. Murali Mohana Rao
Partner

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

S. Subba Rao
Company Secretary

Place: Hyderabad
Date : June 30, 2009

Profit and Loss Account for the year ended March 31, 2009

(Amount in Rupees)

Particulars	Schedule	Year ended 31.03.2009	Year ended 31.03.2008
1. INCOME			
Guest Accommodation, Restaurant and Banquets Sales		256,033,696	223,283,493
Subscription from Members & Others		2,652,865,769	2,912,106,313
Facilities		20,429,746	7,012,853
Total		2,929,329,211	3,142,402,659
2. EXPENDITURE			
Consumables & Provisions	11	91,721,485	80,111,980
Personnel Cost	12	1,031,062,041	839,399,375
Upkeep & Service Cost	13	158,870,872	145,309,791
Interest & Financial Charges	14	135,171,872	126,382,602
General Expenses	15	1,229,832,949	872,906,539
Audit Fee		300,000	300,000
Depreciation		114,362,940	65,279,075
Total		2,761,322,159	2,129,689,362
3. PROFIT			
Profit / (Loss) before Taxation		168,007,052	1,012,713,297
Provision for Taxation	16	70,860,818	359,969,768
Profit after Taxation		97,146,234	652,743,529
Prior Period Income/ (Expenses)			
Profit after Taxation & Adjustments		97,146,234	652,743,529
Balance brought forward		926,196,643	358,686,341
Available for Appropriations		1,023,342,877	1,011,429,870
4. APPROPRIATIONS			
General Reserve		7,300,000	49,000,000
Proposed Final Dividend on Equity Shares		30,969,894	30,969,894
Provision for Tax on Dividend		5,263,333	5,263,333
Balance Carried Forward		979,809,650	926,196,643
Earnings Per Share		1.25	44.71
Notes on Accounts	17		

As per our report of even date

For P. Murali & Co.,
Chartered Accountants

For and on behalf of the Board
COUNTRY CLUB (INDIA) LIMITED

P. Murali Mohana Rao
Partner

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

S. Subba Rao
Company Secretary

Place: Hyderabad

Date : June 30, 2009

Schedules to Accounts

(Amount in Rupees)

Particulars	As at 31.03.2009	As at 31.03.2008
1 SHARE CAPITAL		
Authorised Capital		
20,00,00,000 Equity Shares of Rs.2/- each (Previous year 4,00,00,000 Equity Shares of Rs.10/- each)	400,000,000	400,000,000
Issued, Subscribed, Paid up:		
7,74,24,735 Equity Shares of Rs.2/- each (Previous year 1,54,84,947 Equity Shares of Rs.10/- each)	154,849,470	154,849,470
	154,849,470	154,849,470

	As at 31.03.2009	As at 31.03.2008
1A SHARE WARRANTS		
7,00,000 partly paid share warrants of Rs.770/- each to be converted into equity share of Rs.10/- each at a premium of Rs.760/-	53,900,000	-
6,00,000 partly paid share warrants of Rs.600/- each to be converted into equity share of Rs.10/- each at a premium of Rs.590/-	36,000,000	36,000,000
	89,900,000	36,000,000

	As at 31.03.2009	As at 31.03.2008
2 RESERVES & SURPLUS		
Capital Reserve	27,688,694	27,688,694
Revaluation Reserve	24,270,349	24,270,349
General Reserve	83,300,000	76,000,000
Share Premium	4,790,781,569	4,790,781,569
Balance in Profit & Loss Account	979,809,650	926,196,643
	5,905,850,262	5,844,937,255

	As at 31.03.2009	As at 31.03.2008
3 SECURED LOANS		
Equipment Finance	8,065,614	9,988,219
(Loan from Citibank & Saraswath Co-Op. Bank Ltd. for Vehicles and the same were secured by way of hypothecation of the Vehicles)		
	8,065,614	9,988,219

	As at 31.03.2009	As at 31.03.2008
4 UNSECURED LOANS		
Membership Refundable	75,480,710	91,130,951
Foreign Currency Convertible Bonds	1,017,200,000	798,000,000
	1,092,680,710	889,130,951

Schedules to Accounts

(Amount in Rupees)

5 FIXED ASSETS										
(SLM Method)										
Particulars	Gross Block As on 31.03.2008	Additions during the year	Deletions during the year	Gross Block As on 31.03.2009	Depreciation Up to 01.04.2008	Depreciation during the year	Deletion Dep. during the year	Depreciation As on 31.03.2009	Net Block As on 31.03.2009	Net Block As on 31.03.2008
Goodwill	-	3,117,610	-	3,117,610	-	-	-	-	3,117,610	-
Land & Site Development	315,224,956	102,901,162	-	418,126,118	-	-	-	-	418,126,118	315,224,956
Buildings	2,094,099,083	205,658,852	-	2,299,757,935	150,486,749	75,426,933	-	225,913,682	2,073,844,253	1,943,612,335
Furniture & Fixtures	158,680,870	68,362,539	-	227,043,409	42,240,788	11,224,120	-	53,464,907	173,578,501	116,440,082
Plant & Machinery	257,271,477	77,967,886	-	335,239,363	63,039,667	13,864,736	-	76,904,403	258,334,961	194,231,810
Computers	45,494,062	27,478,457	-	72,972,519	10,355,718	9,978,106	-	20,333,824	52,638,695	35,138,344
Vehicles	40,245,699	681,535	-	40,927,234	11,234,146	3,869,045	-	15,103,191	25,824,043	29,011,553
	2,911,016,147	486,168,040	-	3,397,184,187	277,357,067	114,362,940	-	391,720,007	3,005,464,180	2,633,659,080

	As at 31.03.2009	As at 31.03.2008
6 INVESTMENTS		
Investments in Subsidiary Companies Shares	Not Quoted	Not Quoted
Aquarian Realtors Private Limited 1,000 Equity Shares of Rs.100/- each	9,200,000	9,200,000
Aakruthi Engineers Private Limited 10,000 Equity Shares of Rs.100/- each	127,000,000	127,000,000
Country Club & Babylon Resorts Private Limited 50,000 Equity Shares of LKR 1,000/- each	43,061,023	32,311,870
Bush Betta Holiday Ownership Wildlife Adventure Resort Private Limited 10,00,000 Equity Shares of Rs.10/- each	18,500,000	18,500,000
Kolet Resorts Club Private Limited 14,99,800 Equity Shares of Rs.10/- each	30,000,000	30,000,000
J.J. Arts and Entertainments Private Limited 1,50,000 Equity Shares of Rs.10/- each	55,000,001	55,000,001
Chanakyapuri Resorts Private Limited 70,000 Equity Shares of Rs.100/- each	13,500,000	13,500,000
Bright Resorts Private Limited 18,450 Equity Shares of Rs.10/- each	38,924,220	38,924,220
Maruti Waterpark and Entertainments Private Limited 2,32,400 Equity Shares of Rs.10/- each	3,021,200	-
Country Vacations International Limited	1,720,633,139	-
Investments in Other Companies Shares		
Swami Vivekanand Training & Education Centre Private Limited 168 Equity Shares of Rs.100/- each	23,501,688	-
Swimwell Investment and Trading Private Limited 1,500 Equity Shares of Rs.10/- each	15,000	-
	2,082,356,271	324,436,091

Schedules to Accounts

(Amount in Rupees)

Particulars	As at 31.03.2009	As at 31.03.2008
7 SUNDRY DEBTORS		
(Unsecured & Considered good)		
Debts outstanding exceeding more than six months	17,896,150	15,610,383
Others	31,093,264	27,457,874
	48,989,414	43,068,257

	As at 31.03.2009	As at 31.03.2008
8 CASH AND BANK BALANCES		
Cash on Hand	20,166,277	24,206,230
Cash with Banks		
Scheduled Banks - on Current a/c	130,313,858	395,387,796
Scheduled Banks - on Fixed Deposit (Includes accrued interest)	2,586,468	2,505,132,268
Scheduled Banks - Foreign	3,154,476	2,111,298
Other Banks - on Current a/c	1,420	3,022
Dividend Bank A/C - 2006-07	723,028	736,328
Dividend Bank A/C - 2007-08	740,588	-
	157,686,115	2,927,576,942

	As at 31.03.2009	As at 31.03.2008
9 LOANS & ADVANCES		
Advances for Capital Goods	1,057,456,426	876,089,374
Advances to Suppliers	1,535,414	1,743,837
Advances to Subsidiary Companies	423,228,450	318,448,203
Other Advances	448,368,497	138,817,161
Deposits	192,642,057	148,526,377
	2,123,230,844	1,483,624,952

	As at 31.03.2009	As at 31.03.2008
10 CURRENT LIABILITIES & PROVISIONS		
Creditors for Capital Goods	74,532,283	51,241,206
Sundry Creditors	355,513,082	174,804,689
Other Liabilities	598,383,919	37,635,553
Outstanding Expenses	421,754,929	334,537,999
Income Tax Provisions		48,140,603
Dividend Provision - Current year	30,969,894	30,969,894
Dividend Tax Provision	5,263,333	5,263,333
Unpaid Dividend A/C - 2006-07	723,028	736,328
Unpaid Dividend A/C - 2007-08	740,588	-
	1,487,881,056	683,329,605

Schedules to Accounts

(Amount in Rupees)

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
11 CONSUMABLES & PROVISIONS		
Opening Stock	5,821,695	1,600,059
Add: Purchases	91,286,567	84,333,616
Less: Closing Stock	5,386,777	5,821,695
	91,721,485	80,111,980

	Year ended 31.03.2009	Year ended 31.03.2008
12 PERSONNEL COST		
Salaries & Other Benefits	984,997,520	807,111,805
Contribution to PF & Other Funds	17,720,264	10,676,424
Staff Welfare Expenses	28,344,257	21,611,146
	1,031,062,041	839,399,375

	Year ended 31.03.2009	Year ended 31.03.2008
13 UPKEEP & SERVICE COST		
Building Maintenance	2,356,615	2,534,986
Repairs & Maintenance	71,325,800	92,747,267
Power & Fuels	85,188,457	50,027,538
	158,870,872	145,309,791

	Year ended 31.03.2009	Year ended 31.03.2008
14 INTEREST & FINANCIAL CHARGES		
Interest	4,560,274	4,186,106
Financial Charges	130,611,598	122,196,496
	135,171,872	126,382,602

Schedules to Accounts

(Amount in Rupees)

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
15 GENERAL EXPENSES		
Travelling & Conveyance	68,740,055	56,940,974
Printing & Stationery	96,044,714	72,956,786
Postage, Telegrams & Telephones	169,941,435	100,635,872
Rent	236,295,889	96,092,979
Rates & Taxes	34,878,786	27,639,046
Insurance	11,608,270	9,908,472
Advertisement Expenses	445,202,947	387,141,251
Other Marketing Expenses	57,202,733	93,714,847
Other Administrative Expenses	81,787,768	20,215,455
Legal & Professional Charges	28,130,352	7,660,857
	1,229,832,949	872,906,539

	Year ended 31.03.2009	Year ended 31.03.2008
16 PROVISION FOR TAXATION		
Provision For Taxation - Current Year	9,041,209	309,313,088
Deferred Income Tax for Current Year	48,064,389	39,605,240
Provision for Fringe Benefit Tax	13,755,220	11,051,440
	70,860,818	359,969,768

17 NOTES FORMING PART OF THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

General:

- These accounts are prepared on the historical cost basis and on the accounting principles of a going concern.
- Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

Revenue Recognition:

- The Company follows the Mercantile System of Accounting and recognises income and expenditure on accrual basis.
- Revenue is not recognised on the grounds of prudence, until realised in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

Investments:

Investments are stated at cost i.e. cost of acquisition, inclusive of expenses incidental to acquisition wherever applicable.

Fixed Assets:

Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition of Fixed Assets is inclusive of freight, duties, taxes and incidental expenses thereto.

Depreciation:

Depreciation is provided on straight line method on pro-rata basis and at the rates and manner specified in the Schedule XIV of the Companies Act, 1956.

Schedules to Accounts

17 | NOTES FORMING PART OF THE ACCOUNTS (Contd.)

Capital Work-in-Progress:

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

Inventories:

Inventories are valued at cost or market price whichever is lower.

Taxation:

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

Deferred tax asset and liability is recognised for future tax consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per the financial statements. Deferred tax asset and liability are measured as per the tax rates/laws that have been enacted or substantially enacted by the Balance Sheet date.

Earnings Per Share:

The earnings considered in ascertaining the Company's earnings per share comprises net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

Gratuity:

The Company has not made any provision for Gratuity to its employees. Gratuity payable will be accounted as and when payments are made and as such the Liability has not been ascertained.

B. NOTES ON ACCOUNTS

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

(Amount in Rupees)

Sl. 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	27,37,500
4	Mr. D. Krishna Kumar Raju	Vice-Chairman & Executive Director	26,25,000

2. Managerial Remuneration:

(Amount in Rupees)

	Current year	Previous year
Directors' Remuneration	1,19,62,500	1,12,80,000
Brand Ambassador Fee	48,00,000	48,00,000
Commission	-	2,00,00,000

3. Auditor's Remuneration:

(Amount in Rupees)

	Current year	Previous year
Audit Fee	3,00,000	3,00,000

4. Foreign Currency Convertible Bonds are restated at the exchange rates prevailing at the year end and the difference out of such restatement is transferred to "Foreign Currency Monetary Item Translation Difference Account." 1/3 of the difference amount is transferred to Gain/Loss account during the year.

Schedules to Accounts

17 | NOTES FORMING PART OF THE ACCOUNTS (Contd.)

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

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

ii) Income of the Company includes the following:

(Rupees in lakhs)

	Current year	Previous year
Guest Accommodation, Food & Beverages	2,560.34	2,232.83
Subscription, Facilities & Others	26,732.95	29,191.19

iii) Consumption of Provisions and Stores

(Rupees in lakhs)

	Opening Stock	Purchases	Closing Stock	Consumption
Food & Beverages, Consumables & Disposables	58.22 (16.00)	912.87 (843.34)	53.87 (58.22)	917.22 (801.12)

Notes: Previous years figures are given in brackets

6. Earnings and Expenditure in Foreign Currency

(Amount in Rupees)

	Current year	Previous year
Foreign Currency Earnings	16,37,12,167	3,54,79,337

Foreign Currency earnings includes Interest on FCCB, GDR Deposits, Membership Fee and Commission on Membership Fee.

Foreign Currency expenditure as follows:

(Amount in Rupees)

	Current year	Previous year
Travelling expenses	57,86,277	66,36,133
Listing fees	8,25,779	8,04,770
Commission on Membership Fee	18,00,000	—

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

Sl. No.	Name of Related Party	Relationship
1	Amrutha Estates Private Limited	Associate Company
2	Amrutha Estates & Hospitality Private Limited	Associate Company
3	Aquarian Realtors Private Limited	Subsidiary Company
4	Aakruti Engineers Private Limited	Subsidiary Company
5	Country Club Bangalore Limited	Associate Company
6	Kolet Resort Club Private Limited	Subsidiary Company
7	Zen Garden Hotel Private Limited	Associate Company
8	Country Vacations International LLC	Step-Down Subsidiary Company
9	Country Vacations International Limited	Subsidiary Company
10	Mr. Y. Rajeev Reddy	CMD
11	Mrs. Y. Manjula Reddy	Director

Schedules to Accounts

17 NOTES FORMING PART OF THE ACCOUNTS (Contd.)

B. Transactions during the year with Related Parties.

(Amount in Rupees)

Nature of Transaction	Subsidiary Companies including step-down subsidiaries	Associate Companies	Other Related Parties
Lease Rentals	10,20,000	39,12,000	49,57,200
Land	-	23,76,39,250	-
Investments in Shares	173,12,63,914	-	-
Commission Received	14,89,98,863	-	-
Commission Paid	18,00,000	-	-

8. There are no dues to SSI Units outstanding for more than 30 days.
9. Confirmations were obtained from debtors/creditors as to the balances receivable from/payable to them as at year end.
10. In accordance with Accounting Standard 22 (AS 22) issued by the ICAI, the Company has accounted for deferred income tax during the year. The deferred income tax provision for the current year amounts to Rs.4,80,64,389/- towards deferred income tax liability. (Previous year Rs.3,96,05,240/- towards deferred income tax liability).
11. Vehicle loans are availed by the Company from Citibank and Saraswath Co-operative Bank Ltd. and secured against specific vehicles.
12. Previous year's figures have been regrouped wherever necessary.
13. The figures have been rounded off to the nearest rupee.

Signatures to schedules 1 to 17

As per our report of even date

For P. Murali & Co.,
Chartered Accountants

for and on behalf of the Board
COUNTRY CLUB (INDIA) LIMITED

P. Murali Mohana Rao
Partner

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

S. Subba Rao
Company Secretary

Place: Hyderabad

Date : June 30, 2009

Cash Flow Statement for the year ended March 31, 2009

(Rupees in Lakhs)

	Current year	Previous year
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Taxation and Extraordinary Items	1,680.07	10,127.13
<i>Adjustment for :</i>		
Depreciation	1,143.63	652.79
Interest Expenses	45.60	1,263.83
Written off Expenses	-	-
Prior Period Adjustment	-	-
Operating Profit before working capital changes	2,869.30	12,043.75
Trade and Other Receivables	(6,455.27)	(12,409.62)
Inventories	4.35	(42.22)
Trade Payables	7,455.22	(734.65)
Cash Generated from Operations	3,873.60	(1,142.74)
Direct Tax Paid	-	-
Net Cash Flow from Operating Activities	3,873.60	(1,142.74)
Extraordinary Items	-	-
Net Cash Flow after Extraordinary Items		
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(13,777.12)	(22,601.52)
(Purchase of Fixed assets includes Capital Work-in-Progress and Pre-Operative Expenses)	-	-
Miscellaneous Expenses incurred	(1,461.33)	
Investments In Subsidiary Companies	(17,579.20)	(1,525.69)
Net Cash in Investing Activities	(32,817.66)	(24,127.21)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Shares (GDR/QIP/FCCB)	-	48,582.92
Proceeds from Issue of Warrants	539.00	360.00
Proceeds from Membership Fees	(1,264.52)	(1,302.07)
Proceeds from Long Term Loans	(19.23)	49.43
Repayment of Term Loans	-	-
Received Unsecured Loans	2,035.50	(3,329.81)
Repayment of Unsecured Loans	-	-
Interest Paid	(45.60)	(1,263.83)
Net Cash used in Financing Activities	1,245.15	43,096.64
Net Increase in Cash and Cash Equivalents	(27,698.91)	17,826.69
Cash and Cash Equivalents (Opening Balance)	29,275.76	11,449.07
Cash and Cash Equivalents (Closing Balance)	1,576.85	29,275.76

For and on behalf of the Board
COUNTRY CLUB (INDIA) LIMITED

Place: Hyderabad
Date : June 30, 2009

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

S. Subba Rao
Company Secretary

Certificate

To,

The Board of Directors,

COUNTRY CLUB (INDIA) LIMITED

Hyderabad

We have examined the attached Cash Flow Statement of M/s COUNTRY CLUB (INDIA) LIMITED for the year ended March 31, 2009. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of June 30, 2009 to the members of the Company.

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

Place : Hyderabad
Date : June 30, 2009

P. Murali Mohana Rao
Partner

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

Balance Sheet Abstract and Company's General Business Profile

1. Registration Details

CIN

L	9	1	9	9	0	A	P	1	9	9	1	P	L	C	0	1	2	7	1	4
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Registration No.

				1	2	7	1	4
--	--	--	--	---	---	---	---	---

 State Code

								0	1
--	--	--	--	--	--	--	--	---	---

Balance Sheet Date

3	1	0	3	2	0	0	9
---	---	---	---	---	---	---	---

Date Month Year

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

Public Issue

					N	I	L
--	--	--	--	--	---	---	---

 Rights Issue

					N	I	L
--	--	--	--	--	---	---	---

Bonus Issue

					N	I	L
--	--	--	--	--	---	---	---

 Private Placement

					N	I	L
--	--	--	--	--	---	---	---

Preferential Issue

			5	3	9	0	0
--	--	--	---	---	---	---	---

3. Position of Mobilisation and Deployment of Funds (Amount in 000's)

Total Liabilities

	9	4	1	6	4	1	7
--	---	---	---	---	---	---	---

 Total Assets

	9	4	1	6	4	1	7
--	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

		1	5	4	8	4	9
--	--	---	---	---	---	---	---

 Reserves & Surplus

	5	9	0	5	8	5	0
--	---	---	---	---	---	---	---

Secured Loans

				8	0	6	6
--	--	--	--	---	---	---	---

 Unsecured Loans

	1	0	9	2	6	8	1
--	---	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

	3	0	0	5	4	6	4
--	---	---	---	---	---	---	---

 Net Current Assets

		8	4	7	4	1	2
--	--	---	---	---	---	---	---

Capital Work in Progress

	1	8	4	7	1	7	0
--	---	---	---	---	---	---	---

 Misc. Expenditure

		1	4	6	1	3	3
--	--	---	---	---	---	---	---

Investments

	2	0	8	2	3	5	6
--	---	---	---	---	---	---	---

 Accumulated Losses

					N	I	L
--	--	--	--	--	---	---	---

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

Turnover

	2	9	2	9	3	2	9
--	---	---	---	---	---	---	---

 Profit after Tax

			9	7	1	4	6
--	--	--	---	---	---	---	---

Total Expenditure

	2	7	6	1	3	2	2
--	---	---	---	---	---	---	---

 Earnings Per Share

				1	.	2	5
--	--	--	--	---	---	---	---

Profit before Tax

		1	6	8	0	0	7
--	--	---	---	---	---	---	---

 Dividend Rate

					2	0	%
--	--	--	--	--	---	---	---

5. Generic Names of Principal Products / Services of Company (As per monetary terms)

Item Code No. (ITC Code)	:	691
Product Description	:	Food and Beverages
Item Code No. (ITC Code)	:	691
Product Description	:	Facilities

As per our report of even date

For P. Murali & Co.,
Chartered Accountants

for and on behalf of the Board
COUNTRY CLUB (INDIA) LIMITED

P. Murali Mohana Rao
Partner

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Vice-Chairman, JMD & CEO

S. Subba Rao
Company Secretary

Place: Hyderabad
Date : June 30, 2009

ELECTRONIC CLEARING SERVICE (ECS) MANDATE FORM

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

To

M/s. Aarathi Consultants India Private Limited.

(Unit: Country Club (India) Limited)

H.No. 1-2-285, Domalguda

Hyderabad – 500 029

Shareholders authorization to receive dividends through Electronic Credit Clearing Mechanism.

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

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

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

Place:

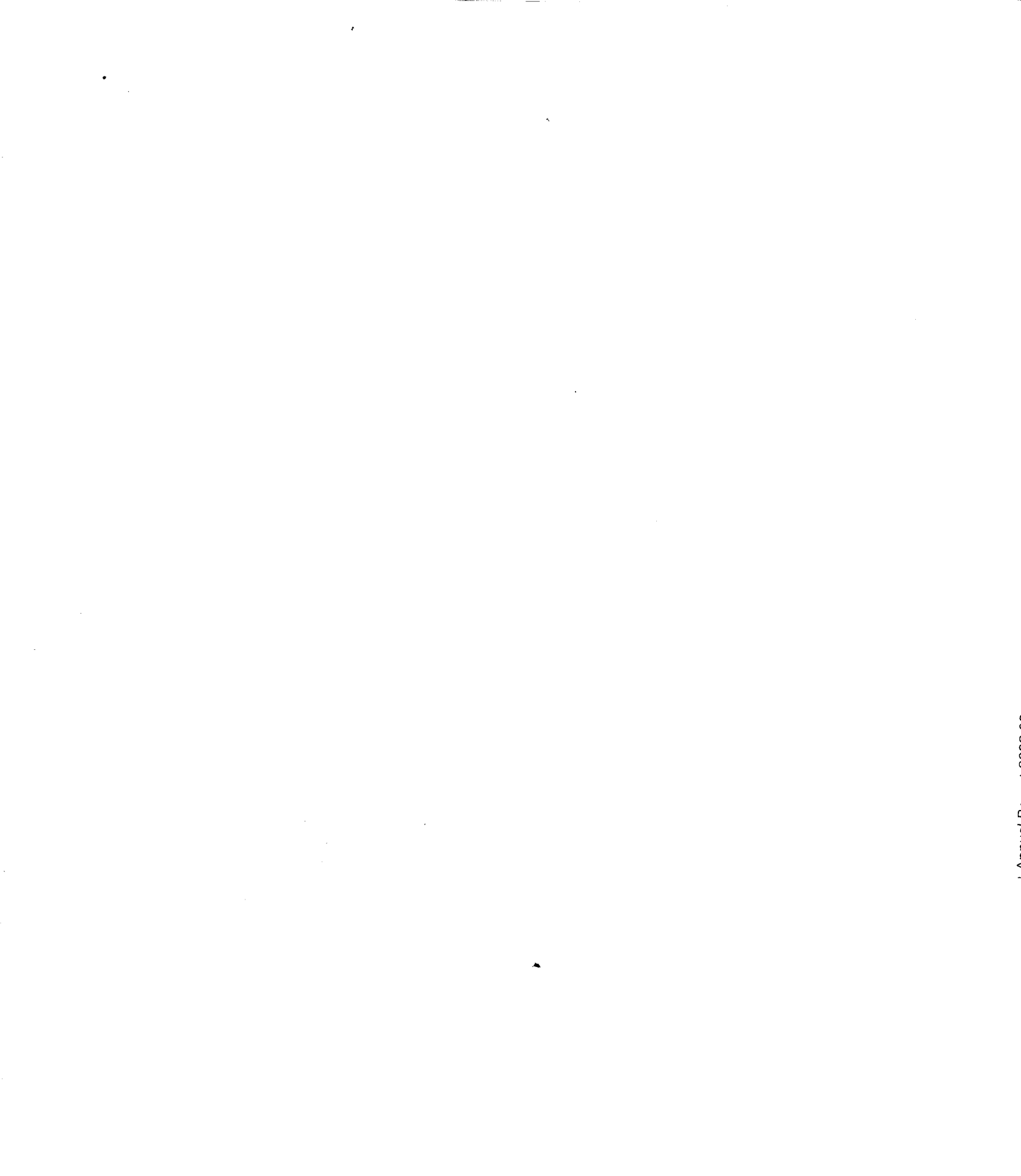
Name of the First Holder: _____

Date:

Signature of the First Holder: _____

Note: 1. Please fill in the information in CAPITAL LETTERS in ENGLISH ONLY.

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



Country Club (India) Limited

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

Attendance Slip

Date

30th September, 2009

Venue

Sri Agrasen Bhavan
149, Sayeed Road, Sappers Line
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 and hold above-mentioned shares in the Company and hereby record my presence at the 18th Annual General Meeting of the Company.

Member's/Proxy signature

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

18th Annual General Meeting

Country Club (India) Limited

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

Proxy Form

Regd. Folio no.:

No. of shares

DP ID no.

Client ID no.

I/We _____ of _____ being Member/Members of Country Club (India) Limited hereby appoint _____ of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be held on Wednesday, 30th September 2009 at 12.00 noon at Sri Agrasen Bhavan, # 149, Brig. Sayeed Road, Sappers Line, Secunderabad – 500003 and at any adjournment thereof.

As witness my/our hand (s) this _____ day of _____ of 2009

Signed by the said _____

Affix 15 paise Revenue Stamp

Note:

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

Corporate information

Board of 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

Sri D. Krishna Kumar Raju

Vice-Chairman & Executive Director

Smt. Y. Manjula Reddy

Director

Sri P.A. Chandra Sekhar Reddy

Director

Sri D. Venkata Krishnam Raju

Director

Sri K. Satyanarayana Raju

Director

Sri D. Venkata Ratna Kishore

Director

Sri I. Venkata Subba Raju

Director

Company Secretary

Sri S. Subba Rao

Bankers

Axis Bank Limited, Hyderabad

ICICI Bank Limited, Hyderabad

Auditors

M/s. P. Murali & Co.

Chartered Accountants

6-3-655/2/3, Somajiguda

Hyderabad 500 082

Registered Office

'Amrutha Castle'

5-9-16, Saifabad, Opp: Secretariat

Hyderabad 500 063

Share Transfer Agents

Aarthi Consultants Pvt. Ltd.

1-2-285, Domalguda

Hyderabad 500 029

Equity Shares Listed on

Bombay Stock Exchange Limited, Mumbai

Book Closure Dates

September 25, 2009 to September 30, 2009

(Both days inclusive)



Why go anywhere else

www.countryclubindia.net