

Country Club Hospitality & Holidays Limited

Instrument	Amount	Rating Action
	In Rs. crore	
Fund-based limits	281.45	[ICRA]D; assigned
Unallocated Limits	18.55	[ICRA]D; assigned
Total	300.00	

ICRA has assigned the long-term rating of [ICRA]D (pronounced as ICRA D) to the Rs. 281.45-crore* fund-based limits and the Rs.18.55-crore unallocated limits of Country Club Hospitality & Holidays Limited (CCHHL)†.

The assigned rating reflects the delays in debt-servicing by the company owing to its stretched liquidity position. Given the high operating leverage, the slowdown in new membership addition and decline in average membership fee during the last two years has resulted in net losses. Although the company has reported cash profits during this period, the debt repayment obligation was higher than the net cash accruals. Further, the company has been able to get its entire debt restructured by June 2016. Post restructuring, the principal repayment obligation over next two years stands at Rs.30.57 crore as against Rs.72.51 crore earlier thereby easing the burden on CCHHL's cash flows.

ICRA notes that CCHHL is the largest chain of family clubs in India through a network of 223 clubs of which 49 are owned and with a membership base of 436,933 as on March 31, 2016. Notwithstanding the healthy growth in the annual subscription fee at a CAGR of 26% during FY2012-FY2016 to Rs. 45.51 crore, indicating annual renewals of ~ 35% against ~21% in FY2012, the dependence on new membership addition continues to remain high, which contributes ~72% to its operating income.

Going forward, CCHHL's ability to service its debt obligations in a timely manner will be the key rating sensitivity.

Company Profile

Incorporated in 1989, CCHHL is in the holiday and leisure services business providing family clubbing facilities and timeshare vacations to its members spread across 51 properties (33 owned, 16 associated properties and 2 leased) reinforced by 220-plus India and global affiliations (via Country Vacations) and 3900 resorts (via RCI affiliation). It has 436,933 individual members and 600 corporate members comprising brands like Microsoft, Tech Mahindra, CMC Limited (now merged with TCS Limited) and Dr. Reddy's Labs, among others. CCHHL started its operations under the banner Amrutha Estates in 1981 as a real estate development company in South India. In 1989, the company entered the clubbing business with the objective to make clubbing accessible and affordable to the upwardly population in India.

Recent Results

As per audited financials on a standalone basis, the company reported a net loss of Rs. 10.65 crore on an operating income of Rs. 281.06 crore during FY2016 as against a net loss of Rs. 11.29 crore on an operating income of Rs. 271.21 crore during FY2015.

August 2016



For further details please contact:

Analyst Contacts:

Mr. Rohit Inamdar (Tel. No. +91-124-4545847)
rohit.inamdar@icraindia.com

Abhiram Varal (Tel No. +91 40 4067 6524)
abhiram.varal@icraindia.com

Relationship Contacts:

Mr. Jayanta Chatterjee (Tel. No. +91-80-43326401)
jayantac@icraindia.com

© Copyright, 2016, ICRA Limited. All Rights Reserved

Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office**Mr. Vivek Mathur**

Mobile: +91 9871221122

Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

Mumbai**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

3rd Floor, Electric Mansion
Appasaheb Marathe Marg, Prabhadevi
Mumbai—400025,
Board : +91-22-61796300; Fax: +91-22-24331390

Kolkata**Mr. Jayanta Roy**

Mobile: +91 9903394664

Email: jayanta@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna
234/3A, A.J.C. Bose Road
Kolkata—700020
Tel +91-33-22876617/8839 22800008/22831411,
Fax +91-33-22870728

Chennai**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre
634 Anna Salai, Nandanam
Chennai—600035
Tel: +91-44-45964300; Fax: +91-44 24343663

Bangalore**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

'The Millenia'
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,
Murphy Road, Bangalore 560 008
Tel: +91-80-43326400; Fax: +91-80-43326409

Ahmedabad**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585049, 26585494, 26584924; Fax:
+91-79-25569231

Pune**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range
Hills Road, Shivajinagar, Pune-411 020
Tel: + 91-20-25561194-25560196; Fax: +91-20-
25561231

Hyderabad**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj
Bhavan Road, Hyderabad—500083
Tel:- +91-40-40676500