

# COUNTRY CONDO'S LIMITED

CIN No: L63040TG1987PLC007811



05<sup>th</sup> September, 2020

To,  
The Secretary,  
M/s. BSE LIMITED  
P. J Towers, Dalal Street  
MUMBAI - 400 001  
Scrip Code: 531624

To,  
The Secretary,  
M/s. NATIONAL STOCK  
EXCHANGE OF INDIA LIMITED  
Exchange Plaza, Bandra - Kurla  
Complex  
Bandra (East)  
Mumbai - 400 051  
Scrip Symbol: COUNCODOS

Dear Sir / Madam,

**Sub: Compliance under Regulation 30, 34 & 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**Ref: Annual Report and Cut-off date for E-voting**

Pursuant to Regulation 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached Annual Report of the Company for the financial year 2019-20 along with the Notice convening Thirty Third Annual General Meeting, which is being sent through email to the Members whose email ids are registered with the Company/Registrar and Transfer Agent/Depository Participant, in compliance with Ministry of Corporate Affairs Circular no 20/2020 dated 5 May, 2020 read with Circular no. 14/2020 dated 8 April, 2020 and Circular no 17/2020 dated 13 April, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020.

The Thirty Fifth Annual General Meeting of the Company is scheduled to be held on Monday, September 28, 2020, at 02.00 P.M. (IST), through Video Conferencing or Other Audio Visual Means.

The Annual Report of the Company for the Financial Year 2019-20 including, inter alia, the Notice of the Thirty Third AGM is also available on the website of the Company, viz., [www.countrycondos.co.in](http://www.countrycondos.co.in)

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 and Regulation 44 of the Listing Regulations, the Company is pleased to provide the



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Members, facility to exercise their right to vote at the Thirty Third AGM by electronic means and the business mentioned in the AGM Notice may be transacted through e-voting services provided by Central Depository Services (India) Limited.

Further, E-voting facility has been made available to all the Members of the Company, the details of the E-voting are as follows:

- i. The voting through electronic means shall commence on Friday, 25<sup>th</sup> September, 2020 at 9.00 A.M. (IST);
- ii. The voting through electronic means shall end on Sunday, 27<sup>th</sup> September, 2020, at 05:00 P.M. (IST);
- iii. The Cut off date for determining the eligibility to vote in connection with the Annual General Meeting 2019-20 would be on 19.09.2020.

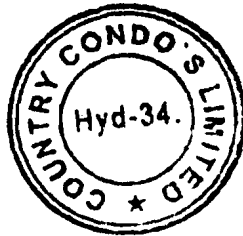
This is for your information and records.

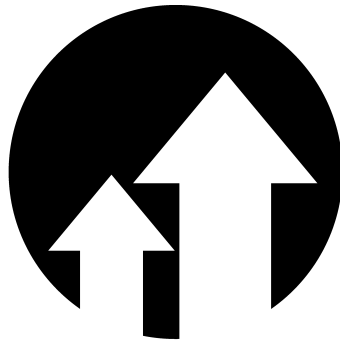
Thanking You,

Yours Faithfully,

For M/s. COUNTRY CONDO'S LIMITED

  
LAXMIKANTH JAKHOTIA  
COMPANY SECRETARY





***COUNTRYCONDOS***

***COUNTRY CONDO'S LIMITED***

**CIN: L63040TG1987PLC007811**

**2019-2020**

**33<sup>rd</sup> ANNUAL REPORT**



## **COUNTRY CONDO'S LIMITED**

### **Corporate Information BOARD OF DIRECTORS/KMP**

- |                                   |   |                          |
|-----------------------------------|---|--------------------------|
| 1. Sri Y. Rajeev Reddy            | : | Chairman & Director      |
| 2. Sri Y. Siddharth Reddy         | : | Vice-Chairman & Director |
| 3. Sri Y. Varun Reddy             | : | Vice-Chairman & Director |
| 4. Sri D. Krishna Kumar Raju      | : | Vice-Chairman & CEO      |
| 5. Smt. Y. Manjula Reddy          | : | Director                 |
| 6. Sri K. Subramanyam Raju        | : | Director                 |
| 7. Sri G. Venkateshwar Rao        | : | Director                 |
| 8. Sri S. Bal Reddy               | : | Director                 |
| 9. Sri P. Krupavaram              | : | Additional Director      |
| 10. Sri K. Srirama Chandra Murthy | : | Additional Director      |
| 11. Sri J. Laxmikanth             | : | Company Secretary        |
| 12. Sri Gandhi Upputuri           | : | Chief Financial Officer  |

#### **BANKERS:**

AXIS Bank Limited  
State Bank of India  
Andhra Bank  
Union Bank of India  
ICICI Bank Limited  
HDFC Bank  
Bank of India

#### **AUDITORS:**

P C N & Associates, Chartered Accountants  
Plot No.12, "N Heights"  
Ground Floor, Software Layout Unit  
Cyberabad, Hyderabad- 500081  
Telangana, India

#### **REGISTERED OFFICE:**

# 8-2-703, Mahogany Complex  
Ground Floor, Amrutha Valley  
Road No.12, Banjara Hills  
Hyderabad – 500 034  
Telangana, India  
Ph: 91-40-66533618  
Email: info@countrycondos.co.in

#### **SHARE TRANSFER AGENTS:**

M/s. AARTHI CONSULTANTS PRIVATE LIMITED  
1-2-285, Domalguda  
Hyderabad – 500 029  
Telangana, India  
Phone: 91-40-27634445 / 27638111, Fax: 91-40-27632184

#### **LISTING AT**

BSE Limited  
National Stock Exchange of India Limited

#### **Book Closure Dates:**

**20<sup>th</sup> September, 2020 to 28<sup>th</sup> September, 2020 (Both days inclusive)**

## NOTICE

NOTICE is hereby given that the 33<sup>rd</sup> Annual General Meeting of the Members of M/s. Country Condo's Limited will be held on **Monday, the 28<sup>th</sup> day of September, 2020 at 02.00 P.M.** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following Business:

### ORDINARY BUSINESS:

**1. Adoption of Financial Statements:**

To receive, consider and adopt the Audited Financial Statements (Balance Sheet, Profit & Loss and Cash Flow Statement) of the Company for the Financial Year ended March 31, 2020, together with the Notes attached thereto, along with the Reports of the Board of Directors and Auditors thereon.

**2. Appointment of Director:**

To appoint a Director in place of Sri Y. Siddharth Reddy (DIN: 00815456), Director who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS:

**3. To Appoint Sri Peethala Krupavaram (DIN: 08197063) as an Independent Director of the Company:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the said Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rules made thereunder and the Articles of Association of the Company, **Sri Peethala Krupavaram (DIN: 08197063)**, who was appointed as an Additional Director of the Company by the Board of Directors with effect from June 30, 2020 and who holds the office until the date of Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Sri Peethala Krupavaram as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 28<sup>th</sup> September, 2020, up to 27<sup>th</sup> September, 2025, not liable to retire by rotation."

**4. To Appoint Sri Korlepara Srirama Chandra Murthy (DIN: 08197054) as an Independent Director of the Company:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the said Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rules made thereunder and the Articles of Association of the Company, **Sri Korlepara Srirama Chandra Murthy (DIN: 08197054)**, who was appointed as an Additional Director of the Company by the Board of Directors with effect from June 30, 2020 and who holds the office until the date of Annual General



## **COUNTRY CONDO'S LIMITED**

Meeting, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Sri Korlepara Srirama Chandra Murthy as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 28<sup>th</sup> September, 2020, up to 27<sup>th</sup> September, 2025, not liable to retire by rotation.”

**BY ORDER OF THE BOARD OF DIRECTORS  
For COUNTRY CONDO'S LIMITED**

**PLACE: HYDERABAD  
DATE: 25-08-2020**

**D. KRISHNA KUMAR RAJU  
VICE-CHAIRMAN & CEO  
DIN: 00115553**

### **NOTES:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 (collectively referred to as “MCA Circulars”). The forthcoming 33<sup>rd</sup> Annual General Meeting (“AGM”) will thus be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC/OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Provisions of the Act, a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circular No. 14/2020 dated April 08, 2020, through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.



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5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.countrycondos.co.in](http://www.countrycondos.co.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business in the Notice is annexed hereto and forms part of this Notice.
9. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection to the Members electronically without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 28, 2020. Members seeking to inspect such documents can send an email to [info@countrycondos.co.in](mailto:info@countrycondos.co.in).
10. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
11. The Register of Members and Share Transfer Books of the Company will remain closed from Sunday, 20<sup>th</sup> September, 2020 to Monday, 28<sup>th</sup> September, 2020 (both days inclusive).
12. Shareholders holding shares in physical form may write to the company/company's R&T agents for any change in their address and bank mandates; shareholders holding shares in electronic form may inform the same to their depository participants immediately, where applicable.
13. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agents (Unit: M/s. Aarthi Consultants Private Limited)
14. In consonance with the company's sustainability initiatives and Regulation 36 of the SEBI (LODR) Regulations, 2015, the company is sharing all documents with shareholders in the electronic mode, wherever the same has been agreed to by the shareholders. Further The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Shareholders are requested to support this green initiative by registering / updating their e-mail addresses for receiving electronic communications. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to M/s. Aarthi Consultants Private Limited, Share Transfer Agents of the Company for their doing the needful.
15. As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LADNRO/GN/2018/49 dated November 30, 2018, w.e.f. April 1, 2019 the transfer of securities of listed companies shall not be processed unless the securities are held in the dematerialized form (Demat) with a depository. Hence, the members of the company are requested to dematerialize their shareholding to avail the benefits of dematerialization. Only the requests for transmission and transposition of securities in physical form, will be accepted by the RTA.



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16. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
17. 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.
18. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transmission/transposition, Demat/Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
19. In terms of Section 72 of the Companies Act, 2013, a member of the Company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the Company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
20. The Companies Equity shares are listed at BSE Limited and National Stock Exchange of India and the listing fee for the FY 2020-21 has paid.
21. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, No Resolution is proposed for a Ratification of Appointment of Auditors, who were appointed in the 30<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2017.
22. Details of Directors retiring by rotation / seeking appointment at the ensuing Annual General Meeting are provided as Additional Information required to be furnished under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to this Notice.
23. In terms of the provisions of Section 152 of the Act, Sri Y. Siddharth Reddy, Vice-Chairman & Director of the Company retire by rotation at the AGM. Nomination and Remuneration Committee and the Board of Directors of the Company commend his appointment. Further Sri Y. Siddharth Reddy is interested in the Ordinary Resolution set out at Item No. 2 of the Notice with regard to his re-appointment. Sri Y. Siddharth Reddy, Vice-Chairman & Director being related to Sri Y. Rajeev Reddy, Smt. Y. Manjula Reddy and Sri Y. Varun Reddy may be deemed to be interested in the resolution set out at Item No. 2 of the Notice. Saved and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item No. 2 of the Notice.
24. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.
25. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
26. Instructions for e-voting and joining the AGM are as follows:

### **A. THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The instructions for e-voting are given herein below.





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- (ii) The remote e-voting period commences on Friday, September 25, 2020 (9:00 A.M. IST) and ends on Sunday, September 27, 2020 (5:00 P.M. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on Saturday, September 19, 2020 i.e. the cut-off date, (record date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- (iii) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- (iv) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- (v) The details of the process and manner for remote e-voting are explained herein below:
- (vi) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (vii) Click on "Shareholders" module.
- (viii) Now enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (ix) Next enter the Image Verification as displayed and Click on Login.
- (x) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (xi) If you are a first time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA.</li></ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"><li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li></ul>



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- (xii) After entering these details appropriately, click on “SUBMIT” tab.
- (xiii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xiv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xv) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xvi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xvii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xviii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xx) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xxi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xxii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

### **B. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company (info@countrycondos.co.in) / RTA email id (info@aarthiconsultants.com)**.
2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company (info@countrycondos.co.in) / RTA email id (info@aarthiconsultants.com)**.

### **C. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.



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2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at company email id, i.e. [info@countrycondos.co.in](mailto:info@countrycondos.co.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at company email id, i.e. [info@countrycondos.co.in](mailto:info@countrycondos.co.in). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

### **D. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THEAGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

#### **(xxiii) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [info@countrycondos.co.in](mailto:info@countrycondos.co.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
27. In case you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).



## **COUNTRY CONDO'S LIMITED**

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlat Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cDSLindia.com or call on 022-23058542/43 or 1800225533.

28. The Company has appointed M/s. Gopal Dhanaji & Associates, Company Secretaries represented by Mr. Gopal Biradar Dhanaji (Membership No. FCS 7676), Practicing Company Secretary, to act as the Scrutinizer to scrutinize the e-voting process. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
29. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.countrycondos.co.in](http://www.countrycondos.co.in) and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the National Stock Exchange of India Limited and BSE Limited.

**BY ORDER OF THE BOARD OF DIRECTORS  
For COUNTRY CONDO'S LIMITED**

**PLACE: HYDERABAD  
DATE: 25-08-2020**

**D. KRISHNA KUMAR RAJU  
VICE-CHAIRMAN & CEO  
DIN: 00115553**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 ("the Act"):**

#### **Item No. 3:**

The Board, at its meeting held on June 30, 2020, appointed **Sri Peethala Krupavaram (DIN: 08197063)** as an Additional Director of the Company with effect from June 30, 2020, pursuant to Section 160 of the Companies Act, 2013, read with Article 141 of Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Sri Peethala Krupavaram will hold office upto the date of ensuing Annual General Meeting. The Company has received the notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a requisite deposit proposing the candidature of Sri Peethala Krupavaram for the office of director.

The Company has received from Sri Peethala Krupavaram (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, and (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The Company has also received a declaration from Sri Peethala Krupavaram that he meets the criteria of Independence as prescribed both under Section 149(6) of the Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board Sri Peethala Krupavaram fulfils the conditions for appointment as a Independent Director as specified in the Act and Listing Regulations. Sri Peethala Krupavaram is Independent of the Management.



## **COUNTRY CONDO'S LIMITED**

The Board of Directors, as per the recommendation of the Nomination and Remuneration Committee, considering the background and experience of Sri Peethala Krupavaram, has recommended Appointment of Sri Peethala Krupavaram as an Independent Director of the Company for a term of 5 (Five) consecutive years commencing from 28<sup>th</sup> September, 2020, up to 27<sup>th</sup> September, 2025, not liable to retire by rotation.

The resolution seeks the approval of the members for the appointment of Sri Peethala Krupavaram as Independent Director of the Company, who hold office for a term upto five consecutive years commencing from 28<sup>th</sup> September, 2020, up to 27<sup>th</sup> September, 2025, not liable to retire by rotation as per the provisions of the Companies Act, 2013 and the Rules made thereunder. The statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

Details of Sri Peethala Krupavaram, are provided in the Additional Information required to be furnished under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to this Notice of the Annual Report. He shall be paid remuneration by way of sitting fees for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board or other meetings.

Copy of the draft letter of appointment of Sri Peethala Krupavaram setting out the terms and conditions of appointment is available for inspection by the members at the Registered Office of the Company.

Sri Peethala Krupavaram is interested in the resolution set out at Item No. 3 of the Notice with regard to his Re-appointment. Relatives of Sri Peethala Krupavaram may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Saved and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for the approval by the members.

### **Item No. 4:**

The Board, at its meeting held on June 30, 2020, appointed **Sri Korlepara Srirama Chandra Murthy (DIN: 08197054)** as an Additional Director of the Company with effect from June 30, 2020, pursuant to Section 160 of the Companies Act, 2013, read with Article 141 of Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Sri Korlepara Srirama Chandra Murthy will hold office upto the date of ensuing Annual General Meeting. The Company has received the notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a requisite deposit proposing the candidature of Sri Korlepara Srirama Chandra Murthy for the office of director.

The Company has received from Sri Korlepara Srirama Chandra Murthy (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, and (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The Company has also received a declaration from Sri Korlepara Srirama Chandra Murthy that he meets the criteria of Independence as prescribed both under Section 149(6) of the Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board Sri Korlepara Srirama Chandra Murthy fulfils the conditions for appointment as a Independent Director as specified in the Act and Listing Regulations. Sri Korlepara Srirama Chandra Murthy is Independent of the Management.

The Board of Directors, as per the recommendation of the Nomination and Remuneration Committee, considering the background and experience of Sri Korlepara Srirama Chandra Murthy, has recommended Appointment of Sri Korlepara Srirama Chandra Murthy as an Independent Director of the Company for a term of 5 (Five) consecutive years commencing from 28<sup>th</sup> September, 2020, up to 27<sup>th</sup> September, 2025, not liable to retire by rotation.



## **COUNTRY CONDO'S LIMITED**

The resolution seeks the approval of the members for the appointment of Sri Korlepara Srirama Chandra Murthy as Independent Director of the Company, who hold office for a term upto five consecutive years commencing from 28<sup>th</sup> September, 2020, up to 27<sup>th</sup> September, 2025, not liable to retire by rotation as per the provisions of the Companies Act, 2013 and the Rules made thereunder. The statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

Details of Sri Korlepara Srirama Chandra Murthy, are provided in the Additional Information required to be furnished under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to this Notice of the Annual Report. He shall be paid remuneration by way of sitting fees for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board or other meetings.

Copy of the draft letter of appointment of Sri Korlepara Srirama Chandra Murthy setting out the terms and conditions of appointment is available for inspection by the members at the Registered Office of the Company.

Sri Korlepara Srirama Chandra Murthy is interested in the resolution set out at Item No. 4 of the Notice with regard to his Re-appointment. Relatives of Sri Korlepara Srirama Chandra Murthy may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Saved and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for the approval by the members.

**BY ORDER OF THE BOARD OF DIRECTORS  
For COUNTRY CONDO'S LIMITED**

**PLACE: HYDERABAD  
DATE: 25-08-2020**

**D. KRISHNA KUMAR RAJU  
VICE-CHAIRMAN & CEO  
DIN: 00115553**



## **COUNTRY CONDO'S LIMITED**

### **ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED UNDER REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

**As required under the Listing Agreement, the particulars of Directors who proposed to be appointed/re-appointed are given below:**

#### **1. Y. SIDDHARTH REDDY:**

<b>Particulars</b>	<b>Details of Directors seeking appointment/re-appointment</b>
Name of the Director	Sri Y. Siddharth Reddy
Director Identification Number (DIN)	00815456
Date of Birth	February 21, 1983
Age	37
Date of Appointment	August 10, 2009
Qualification	Degree in Finance from University of Texas, Austin
Experience	Vast Experience in Financial Planning & Financial Management
Terms and conditions of appointment	Sri Y. Siddharth Reddy who retire by rotation at the 33 <sup>rd</sup> Annual General Meeting and being eligible, offer himself for re-appointment.
Number of Meetings of the Board attended during the year	04
Specific Functional areas	Mr. Y. Siddharth Reddy as Vice-Chairman & Non- Executive Director is an advisory to the Company in Financial Planning and Financial Marketing.
Directorships in other Listed/public/private Companies	1 Listed Company, 8 Public Companies* & 1 Private Companies.
Membership/chairmanship of Committees of the other Boards	<b>NIL</b>
No of Shares held in the Company	9,88,920 Equity Shares of Rs 1/- each consisting of 1.27%
Inter- se Relationship between the Board Members/Manager/ KMP	Sri Y. Siddharth Reddy is S/o. Sri Y. Rajeev Reddy, Chairman & Director and Smt. Y. Manjula Reddy, Director and Brother of Sri Y. Varun Reddy, Vice-Chairman & Director of the Company.

#### **2. PEETHALA KRUPAVARAM:**

<b>Particulars</b>	<b>Details of Directors seeking appointment/re-appointment</b>
Name of the Director	Sri Peethala Krupavaram
Director Identification Number (DIN)	08197063
Date of Birth	August 12, 1962
Age	58
Date of Appointment	June 30, 2020
Qualification	B. Com from Andhra University, from Palakollu, Dist: West Godavari, Andhra Pradesh in the year 1986
Experience	Vast Experience in the field of Infrastructure and Real Estate business
Terms and conditions of appointment	Sri Peethala Krupavaram whose office terminates at this 33 <sup>rd</sup> Annual General Meeting has been appointed as an Independent Director of the Company for a period of 5 Years commencing from 28.09.2020 upto 27.09.2025, not liable to retire by rotation.

## **COUNTRY CONDO'S LIMITED**

Number of Meetings of the Board attended during the year	NIL
Specific Functional areas	Mr. Peethala Krupavaram as Independent Director is also appointed as the Chairman of the Audit Committee & Stakeholders Relationship Committee with effect from June 30, 2020.
Directorships in other Listed/public/private Companies	4 Public Companies* & 6 Private Companies.
Membership/chairmanship of Committees of the other Boards	Chairman of the Audit Committee & Stakeholders Relationship Committee with effect from June 30, 2020.
No of Shares held in the Company	NIL
Inter- se Relationship between the Board Members/Manager/ KMP	NIL

### **3. KORLEPARA SRIRAM CHANDRA MURTHY:**

<b>Particulars</b>	<b>Details of Directors seeking appointment/re-appointment</b>
Name of the Director	Sri Korlepara Srirama Chandra Murthy
Director Identification Number (DIN)	08197054
Date of Birth	April 17, 1973
Age	48
Date of Appointment	June 30, 2020
Qualification	B. Com from Andhra University, from Tanuku, Dist: West Godavari, Andhra Pradesh in the year 1995
Experience	Vast Experience in the field of Infrastructure and Real Estate business
Terms and conditions of appointment	Sri Korlepara Srirama Chandra Murthy whose office terminates at this 33 <sup>rd</sup> Annual General Meeting has been appointed as an Independent Director of the Company for a period of 5 Years commencing from 28.09.2020 upto 27.09.2025, not liable to retire by rotation.
Number of Meetings of the Board attended during the year	NIL
Specific Functional areas	Mr. Korlepara Srirama Chandra Murthy as Independent Director is also appointed as the Member of the Audit Committee & Stakeholders Relationship Committee with effect from June 30, 2020.
Directorships in other Listed/public/private Companies	3 Public Companies* & 2 Private Companies.
Membership/chairmanship of Committees of the other Boards	Member of the Audit Committee & Stakeholders Relationship Committee with effect from June 30, 2020.
No of Shares held in the Company	NIL
Inter- se Relationship between the Board Members/Manager/ KMP	NIL

**NOTE: \* Private Companies which are Subsidiary of Public Company**



**DIRECTORS' REPORT**

To,  
The Members of  
**M/s. COUNTRY CONDO'S LIMITED**

The Directors have pleasure in presenting the 33<sup>rd</sup> Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2020.

**1. FINANCIAL RESULTS:**

(₹ in Lakhs)

<b>Particulars</b>	<b>Year ended 31.03.2020 (12 Months)</b>	<b>Year ended 31.03.2019 (12 Months)</b>
Revenue from Operations	<b>1788.89</b>	<b>2033.09</b>
Other Income	<b>12.19</b>	<b>6.66</b>
Total Revenue	<b>1801.08</b>	<b>2039.75</b>
Total Expenses	<b>1670.27</b>	<b>1920.81</b>
Profit / (Loss) before Depreciation, Finance Costs, Exceptional Items and Tax Expense	<b>130.81</b>	<b>118.94</b>
Less: Depreciation / Amortisation / Impairment	<b>36.08</b>	<b>31.76</b>
Profit / (Loss) before Finance Costs, Exceptional Items and Tax Expense	<b>94.73</b>	<b>87.18</b>
Less: Finance Costs	<b>10.38</b>	<b>11.67</b>
Profit / (Loss) before Exceptional Items and Tax Expense	<b>84.35</b>	<b>75.51</b>
Add/(Less): Exceptional Items	-	-
Profit / (Loss) before Tax Expense	<b>84.35</b>	<b>75.51</b>
Less: Tax Expense (Current & Deferred)	<b>22.21</b>	<b>23.24</b>
Profit / (Loss) for the Year	<b>62.14</b>	<b>52.27</b>
Balance brought forward	<b>341.40</b>	<b>289.13</b>
Balance carried forward	<b>403.54</b>	<b>341.40</b>

**2. FINANCIAL PERFORMANCE OF THE COMPANY:**

The Board would like to inform that the development of the Company's real estate & construction activities Income has been stable and has achieved a Turnover of ₹ 1788.89 Lakhs and has achieved a Profit of ₹ 62.14 Lakhs.

During this year the Company had a Net Profit of ₹ 62.14 Lakhs. The Net Profits of ₹ 62.14 has been transferred to General Reserves to strengthen the Reserves of the Company. Currently the accumulated P&L Account Surplus is ₹403.54 Lakhs.

The Board of Directors noted and took on record the report of the business review and analyzed the various options available and suitable in the present circumstances to the Company. The Board decided that it was no longer cost effective to manufacture and produce the goods in the present un-remunerative market conditions with the help of present undertaking. Hence, the Board, after due discussions and deliberations, decided to diversify / proposed to diversify its activities into the area of Real Estate & Construction Development.

### **3. OUTLOOK FOR INDIAN ECONOMY & INDUSTRIAL STRUCTURE:**

The economy is in swing mode since last few years. When all seemed to be going smoothly, the Government's proactive measures like demonetization in November 2016 and introduction of GST in July 2017 caused economic pendulum to swing in opposite direction impacting all sectors of the economy for at least a year. However, it also ushered in many positive and structural changes in the economy such as greater tax compliance, transparency, digitization, less cash; just to name a few. It took about an year thereafter to recover and then about a year to stabilize in 2019; unfortunately now the current crisis of global pandemic caused by COVID-19 has swung the pendulum again in the opposite direction whose trajectory and magnitude is so unpredictable that it is changing by every day, hour, and minute.

The Indian economy, which began showing signals of road slowing down since 3 quarter of Financial Year 2019-20, is still expected to perform better than other major global economies; to grow by 4% - 5% in Financial Year 2019-20 as against 6.8% during Financial Year 2018-19. However, the growth in Financial Year 2020-21 is likely to be less than 2% due to the severe ongoing contraction of economic activities. While an early lifting of the lockdown is key to the resumption of the stalled economic engine, the strength of the recovery will also depend on the fiscal stimulus and relief by the Central and State governments in addition to monetary and liquidity measures announced by the Central Bank. The wide-ranging economic stimulus package of nearly ₹ 20 Lakh Crore announced by the Prime Minister rekindles the hopes of an early and sustained revival to economic activities at the grass root levels.

### **4. FUTURE PROSPECTS AND OUTLOOK OF THE COMPANY:**

The Company witnessed an uptick in residential real estate demand compared to the year before. However, the outbreak of COVID-19 pandemic is expected to adversely impact the sector performance in the first half of F.Y. 2021. The most significant impact of COVID-19 is expected to be the reverse migration of workers which will impact construction activities across the country. This is expected to cause project execution delays and working capital issues for financially weak developers. While the start of F.Y. 2021 may be muted due to the lockdown and its subsequent toll on economic activity, we believe customers would eventually return to the market in the second half of the financial year to partially mitigate the demand impact in earlier quarters. While we do expect the demand to catch up within the year, we believe the customers would expect relaxed payment plans. We also expect some increase in customer outstanding owing to the pessimistic liquidity environment.

While the industry at large may be adversely impacted by this pandemic and the recovery phase slowdown, your Company's steady balance sheet and project pipeline will help maintain operational momentum in the months ahead. The Company believes technology will play an important role to minimize the impact of COVID-19 going forward. Your Company has been actively focusing on improving on-site facilities to create a safe working environment for workforce and reduce the impact of reverse migration. Your Company has been working on making the supply chain more efficient as lockdown restrictions are eased. These measures will not only help the Company in tiding over the impact of COVID-19 but also make it more efficient in the long term. We believe that government reforms will lead to improved governance in the sector, increase transparency and bring about consolidation amongst real estate players. The Company remains positive about the long-term direction of the sector on back of higher consumer confidence and increasing affordability due to declining interest rates, stagnant real estate prices and rising disposable income. We believe that we are in a strong position to benefit from such expected shifts in the sector. With our good track record and excellent sales and marketing capabilities the Company in Southern India is well poised for a high growth trajectory over the next few years.

Your Company will focus on opportunistic growth avenues in current environment to create a healthy project pipeline across its markets. Fast turnaround deals shall be a specific focus area for new deals in F.Y. 2021. When evaluating new projects, the Company will continue to seek superior long-term growth in shareholder value by maximizing returns through optimal financing and fiscal discipline. The Company shall also enhance agility across its processes to further reduce project launch turnaround times. These shall provide your company with the competitive edge in operational excellence and customer experience respectively.

**5. SHARE CAPITAL:**

The Paid-up Share Capital of the Company stands at ₹ 7,75,97,300/- (Rupees Seven Crore Seventy Five Lakh Ninety Seven Thousand Three Hundred Only) as on 31<sup>st</sup> March, 2020.

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

**6. NUMBER OF MEETINGS OF THE BOARD:**

The Board met 4 (Four) times during the Financial Year 2019-20 on May 30, 2019, August 13, 2019, November 13, 2019 and February 13, 2020.

**7. MANAGEMENT DISCUSSION AND ANALYSIS:**

Pursuant to Regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on the Management Discussion and Analysis for the F.Y. 2019-20 is appended to this Report.

**8. CONSERVATION OF ENERGY, TECHNICAL ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**Additional information as required u/s 134 of the Companies Act, 2013:**

Information as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 forming part of Directors Report for the year ended 31<sup>st</sup> March, 2020.

The information as per Section 134 of the Companies Act, 2013 has to be presented:

**A. Conservation of energy**

- (i) **The steps taken or impact on conservation of Energy:** The Company is continuously monitoring the consumption of energy and implements wherever necessary the required measures for conserving it.
- (ii) **The Steps taken by the Company for utilising alternate sources of Energy:** NIL
- (iii) **The Capital Investment on energy conservation equipments:** NIL

**B. Technology absorption:**

- (i) **The efforts made towards technology absorption** : No technology – indigenous or foreign is – involved.
- (ii) **The benefits derived like product Improvement, cost reduction, product Development or import substitution:** : Not applicable
- (iii) **in case of imported technology (imported during the last three years reckoned from the beginning of the Financial year)** : No technology has been imported during the year.
  - (a) **The details of technology imported** : Nil
  - (b) **The year of import** : Not applicable
  - (c) **Whether the technology been fully Absorbed** : Not applicable

## COUNTRY CONDO'S LIMITED

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; : Not applicable

(iv) the expenditure incurred on Research and Development. : Nil

### C. Foreign exchange earnings and outgo:

	2019-20	2018-19
Foreign Currency Earnings/Inflow	NIL	NIL
Foreign Currency Expenditure / Outflow	NIL	NIL

## 9. EXTRACTS OF ANNUAL RETURN AND OTHER DISCLOSURES UNDER COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:

The Extracts of Annual Return in Form No. MGT-9 as per Section 92 (3) of the Companies Act, 2013 read with Rule 8 of Companies Act (Accounts) Rules, 2014 and Rule 12(1) of Companies (Management & Administration) Rules, 2014 is enclosed as **Annexure-I** and forms part of this report.

## 10. PARTICULARS OF EMPLOYEES:

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

Name of Director	Designation	Remuneration FY 19-20	Remuneration in FY 18-19	% of remuneration in 2020 as compared to 2019	Ratio of remuneration to MRE
D. Krishna Kumar Raju	Vice-Chairman & CEO	42,90,000	42,90,000	0%	19.86 Times
<b>Key Managerial Personnel other than Directors:</b>					
U. Gandhi	Chief Financial Officer	29,25,000	29,25,000	0%	13.54 Times
J. Laxmikanth	Company Secretary	7,80,000	7,18,000	1.09%	3.61 Times

- The Median Remuneration of the employees of the Company during the financial year was Rs. 2,16,000/- Per Annum.
- In the financial year, there was no increase in the median remuneration employees.
- There are 52 permanent Employees on the Rolls of the Company as on 31<sup>st</sup> March, 2020.
- The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee.
- The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – N.A.
- It is hereby confirmed that the remuneration is as per the remuneration policy of the Company. And
- The information required pursuant to Section 197 of the Companies Act read with Rule 5(2)&(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is available for inspection by the Members at registered office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary, whereupon a copy would be sent.



## **COUNTRY CONDO'S LIMITED**

The remuneration paid to the Key Managerial Personnel of the Company is as per remuneration policy.

**Particulars of Employees receiving remuneration of Rs.1,02,00,000 or more per annum or Rs.8,50,000/- or more per month are given below:**

Information as per Rule 5(2) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Directors are to report that none of the employees were in receipt of remuneration of Rs.1,02,00,000 or more per annum or Rs.8,50,000 or more per month.

### **11. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

In accordance with the Articles of Association of the Company and the provisions of the Section 152(6)(e) of the Companies Act, 2013, Sri Y. Siddharth Reddy (DIN: 00815456), Vice-Chairman & Director of the Company will retire by rotation at the 33<sup>rd</sup> Annual General Meeting and being eligible, offered himself for re-appointment.

Further Sri Peethala Krupavaram (DIN: 08197063), who was appointed as an Additional Director on June 30, 2020, and who holds the office until the date of 33<sup>rd</sup> Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, upon the recommendation from Nomination and Remuneration Committee, appointed as an Independent Director of the Company for a term of 5 Years commencing from 28.09.2020 up to 27.09.2025, whose office is not liable to retire by rotation. He is further appointed as a Chairman of the Audit Committee & Stakeholders Relationship Committee with effect from June 30, 2020.

Further Sri Korlepara Sriram Chandra Murthy (DIN: 08197054), who was appointed as an Additional Director on June 30, 2020, and who holds the office until the date of 33<sup>rd</sup> Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, upon the recommendation from Nomination and Remuneration Committee, appointed as an Independent Director of the Company for a term of 5 Years commencing from 28.09.2020 up to 27.09.2025, whose office is not liable to retire by rotation. He is further appointed as a Member of the Audit Committee & Stakeholders Relationship Committee with effect from June 30, 2020.

Further Sri A. VSB Laxmipathi Rao (DIN: 02733596), Independent Director has resigned as an Independent Director on the Board of Directors on June 30, 2020 due to his unstable health conditions and unfavourable travelling conditions. Further Sri A. VSB Laxmipathi Rao has resigned as Member of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee of the Company with effect from June 30, 2020. However he has attained the 3 out of 4 Board Meetings during the F.Y. 2019-20.

Further Sri V K Ramudu (DIN: 02712577), Independent Director has resigned as an Independent Director on the Board of Directors on June 30, 2020 due to his bad health conditions and unsuitable travelling situations. However he has attained the 3 out of 4 Board Meetings during the F.Y. 2019-20.

Sri Y. Rajeev Reddy (DIN: 00115430) - Non-Executive Chairman, Sri D. Krishna Kumar Raju (DIN: 00115553) - Executive Vice-Chairman & Chief Executive Officer, Sri U. Gandhi - Chief Financial Officer and Sri J. Laxmikanth - Company Secretary and Compliance Officer are the Key Managerial Personnel of the Company as at the date of this Report.

### **12. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The policy of the Company on Directors' Appointment and Remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Companies Act, is appended as Annexure II to this Report.

### **13. ANNUAL EVALUATION OF PERFORMANCE OF THE BOARD:**

Regulations 27 of the SEBI, Listing Regulations states that the board shall monitor and review the board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states

that the performance evaluation of the Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The Company conducted a formal Board Effectiveness Review as part of its efforts to evaluate, identify improvements and thus enhance the effectiveness of the Board of Directors (Board), its Committees and Individual Directors. This was in line with the requirements mentioned in the Companies Act and the SEBI LODR Regulations.

The HR team of Country Condo's Limited worked directly with the Executive Vice-Chairman & CEO and the Nomination and Remuneration Committee of the Board, to design and execute this process which was adopted by the Board. Each Board Member completed a confidential online questionnaire, providing vital feedback on how the Board currently operates and how it might improve its effectiveness.

The survey comprised of four sections and compiled feedback and suggestions on:

- Board processes (including Board composition, strategic orientation and team dynamics);
- Individual committees;
- Individual Board members; and
- Chairman's Feedback Report

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

As per the amendments issued to the SEBI LODR Regulations in 2018, the performance evaluation criteria for independent directors included a check on their fulfillment of the independence criteria and their independence from the management.

The following reports were created, as part of the evaluation:

- Board Feedback Report
- Individual Board Member Feedback Report
- Chairman's Feedback Report

The overall Board Feedback Report was facilitated by Mr. Balaji Singh with the Independent Directors. The Directors were vocal about the Board functioning effectively, but also identified areas which show scope for improvement. The Individual Committees and Board Members' feedback was shared with the Executive Vice-Chairman & CEO. Following his evaluation, Executive Vice-Chairman's & CEO Feedback Report was also compiled.

#### **14. DECLARATION GIVEN BY INDEPENDENT DIRECTORS:**

The Independent Directors of the Company have submitted the Declaration of Independence, as required pursuant to Section 149 (7) of the Companies Act, 2013 confirming that they meet the criteria of independence as provided in Sub-Section (6) of section 149 of Companies Act, 2013 and Regulation 16 of SEBI LODR Regulations.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the field of finance, strategy, auditing, tax, financial services and infrastructure and real estate industry and they hold the highest standards of integrity.

In compliance with the rule 6(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have registered themselves with the Indian Institute of Corporate Affairs. Since majority of the Independent Directors of the Company have served as Directors or Key Managerial Personnel in listed companies or in an unlisted public company having a paid-up share capital of ₹ 10 Crores or more for a period not less than 10 years, they are not required to undertake the proficiency test as per rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

## **COUNTRY CONDO'S LIMITED**

### **15. DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- (a) that in the preparation of the annual accounts for the Financial year ended 31<sup>st</sup> March, 2020, the applicable accounting standards have been followed;
- (b) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, and Profit and Loss Statement of the Company for that period;
- (c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2020, on a going concern basis;
- (e) that the directors have laid down internal controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

### **16. FIXED DEPOSITS:**

The Company has not accepted any public deposits and, as such, no amount on account of principal or interest on public deposits was outstanding on the date of the Balance sheet.

### **17. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

There were no fresh loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

The details of the existing Guarantees are given below:

- a) The Company has given the Corporate Guarantee to Vijaya Bank, Bank of India and Union Bank of India in respect of Term Loan availed by M/s. Country Club Hospitality & Holidays Limited.

The details of the Property given as Collateral securities are as follows.

Company's Immovable property situated at No.20/1-524, Sy No: 20/1, Geddannahalli, Attibele Hobli, Anekal Taluk, Bangalore District Pin-562107.

- b) The Company has given the Corporate Guaranty to Central Bank Of India in respect of Term Loan availed by M/s. Country Club Hospitality & Holidays Limited.

The details of the Property given as Collateral securities are as follows.

Company's Immovable Property Situated at Sy No:101/3,102/3,103/1,103/2 & 103/17, Kumbalgodu, Kengeri Hobli beside Mc.dowell Unit near Mysore Road under BBMP, Bangalore.

### **18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY:**

All transactions entered into during the financial year 2019- 2020 with Related Parties as defined under the Companies Act and SEBI LODR Regulations were in the ordinary course of business and on an arm's length basis. During the

year, the Company had not entered into any transaction referred to in Section 188 of the Companies Act, with related parties which could be considered material under SEBI LODR Regulations. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) of the Companies Act in Form AOC-2 is not applicable. Attention of Members is drawn to the disclosures of transactions with related parties set out in Notes to Accounts, Note No. 19 forming part of the financial statements. The transactions with person or entity belonging to the promoter/promoter group which holds 10 per cent or more shareholding in the Company as required under Schedule V, Part A (2A) of SEBI LODR is given in Notes to Accounts, Note No. 19 (on Related Party Transaction) forming part of the financial statements.

As required under Regulation 23 of SEBI LODR Regulations, the Company has formulated a Related Party Transactions Policy which is available on the website of the Company.

#### **19. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There have been no other material changes and commitments in the business operations affecting the financial position of the Company which have occurred between March 31, 2020 and the date of signing of this Report, other than those disclosed in this Report.

#### **20. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

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

The internal controls over financial reporting have been identified by the management and are checked for effectiveness across all locations and functions by the management and tested by the Auditors on sample basis. The controls are reviewed by the management periodically and deviations, if any, are reported to the Audit Committee periodically.

#### **21. CHANGE IN THE NATURE OF BUSINESS:**

There has been no change in the nature of business of the Company during the financial year under review. The Company is presently carrying on only real estate activity.

#### **22. DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

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

#### **23. CORPORATE GOVERNANCE:**

As required by Regulation 27 of SEBI LODR Regulations, (Listing Regulations), a separate section containing the Report on Corporate Governance together with the Certificate on the compliance with the conditions of Corporate Governance issued by the Auditors of the Company is appended hereto and they form part of this Annual Report.

#### **24. SUBSIDIARY COMPANIES:**

Pursuant to Section 129(3) of the Companies Act, 2013, Company does not have Subsidiary Company. Thus disclosure in **Form AOC-1** is not required.



**25. TYPES OF COMMITTEES:**

The Company has 3 different Committees, they are:

**a. AUDIT COMMITTEE**

**Composition of the Audit Committee:**

The Audit Committee for the F.Y 2019-2020 was constituted of the following members:

<b>Name of the Member</b>	<b>Category</b>
1. Sri G. Venkateshwar Rao, Chairman	} <b>Independent, Non-Executive Directors</b>
2. Sri S. Bal Reddy, Member	
3. Sri A. VSB Laxmipathi Rao, Member	

Mr. J. Laxmikanth, Company Secretary has acted as the Secretary to the Committee.

The composition of the Audit Committee is in compliance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI LODR Regulations.

**b. NOMINATION & REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee for the F.Y 2019-2020 was constituted of the following members:

<b>Name of the Member</b>	<b>Category</b>
1. Sri G. Venkateshwar Rao, Chairman	} <b>Independent, Non- Executive Directors</b>
2. Sri S. Bal Reddy, Member	
3. Sri A. VSB Laxmipathi Rao, Member	

The Company follows a policy on remuneration of directors and other senior managerial personnel's. The Policy is recommended by the Nomination and Remuneration Committee and approved by the Board. Policy on Directors Appointment & Remuneration is appended as Annexure II to this Report.

**c. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee for the F.Y 2019-2020 was constituted of the following Directors:

<b>Name of the Member</b>	<b>Category</b>
1. Sri G. Venkateshwar Rao, Chairman	} <b>Independent, Non- Executive Directors</b>
2. Sri S. Bal Reddy, Member	
3. Sri A. VSB Laxmipathi Rao, Member	

Mr. J. Laxmikanth, Company Secretary has acted as the Secretary to the Committee.

**26. STATEMENT PURSUANT TO LISTING AGREEMENT:**

The Company's Equity shares are listed at

1. BSE Limited, Mumbai.
2. National Stock Exchange of India Limited, Mumbai.

The Company has paid the Annual Listing Fees to the above Stock Exchanges for the year 2020-21.

**27. DEPOSITORY SYSTEM:**

Your Company's equity shares are available for dematerialisation through National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2020, 91.18% of the equity shares of the Company were held in dematerialised form. The Company has paid the Annual Custodian Fees to the above Depositories for the year 2020-21.

**28. AUDITORS:**

M/s. P C N & Associates, Chartered Accountants, were appointed as Statutory Auditor of the Company in 30<sup>th</sup> Annual General Meeting for Five Consecutive years and shall hold the office until the conclusion of the 35<sup>th</sup> Annual General Meeting as per section 139 of Companies Act, 2013.

For the Financial Year 2019-20, your Company has paid ₹ 1,00,000 (Rupees One Lakh Only) plus applicable taxes and out of pocket expenses subject to the ratification of the said fees by the members at the ensuing Annual General Meeting pursuant to the Provisions of the Companies Act, 2013. The detailed breakup of the Auditors Fees is given in Notes to Accounts (on Note No. 17 - Other Expenses) forming part of the financial statements.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualifications, reservations, adverse remarks or disclaimers given by the Auditors in their Report.

**29. SECRETARIAL AUDIT REPORT:**

The Board of Directors of the Company have appointed M/s. Gopal Dhanaji & Associates, Company Secretaries represented by Mr. Gopal Biradar Dhanaji (Membership No. FCS 7676), Practicing Company Secretary, as the Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial year ended 31<sup>st</sup> March, 2020 in compliance with the provisions of Section 204 of the Companies Act , 2013.

The report of the Secretarial Audit Report by M/s. Gopal Dhanaji & Associates, Company Secretaries represented by Mr. Gopal Biradar Dhanaji, Practicing Company Secretary, in Form MR-3 is enclosed as **Annexure – III** to this Report.

There are no qualifications, reservations, adverse remarks or disclaimers made by M/s. Gopal Dhanaji & Associates, Company Secretary in Practice, in the Secretarial Audit Report.

The Board further confirms that the Company has complied with all the provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India.

**30. FRAUD REPORTING:**

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013 and Rules framed thereunder either to the Company or to the Central Government.

**31. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has established a vigil mechanism for directors, employees and other stakeholders to report their genuine concerns, details of which have been given in the Corporate Governance Report forming part of this Annual Report.

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

**32. RISK MANAGEMENT POLICY AND BUSINESS RISK MANAGEMENT:**

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

The business risks identified are reviewed by the Board of Directors of the Company and a detailed action plan to mitigate identified risks is drawn up and its implementation is monitored. The key risks and mitigation actions are then placed before the Audit Committee of the Company.

However, Your Company does not have a Risk Management Committee as the said Provisions of SEBI LODR Regulations are not applicable to the Company.

### **33. DISCLOSURE PERTAINING TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

During the Financial year ended 31<sup>st</sup> March, 2020 the Company has neither received any complaints nor there are any pending complaints pertaining to Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH).

The Company is committed to creating and maintaining an atmosphere in which employees can work together, without fear of sexual harassment, exploitation or intimidation. Every employee is made aware that the company is strongly opposed to sexual harassment and that such behavior is prohibited both by law and by the Company. No cases of child labour, forced labour, involuntary labour and discriminatory employment were reported during the period.

### **34. HUMAN RESOURCE:**

Given the highly specialized nature of the Company's business and the large number of locations where it operates, attracting and nurturing the right talent is at the core of your Company's strategy for success and growth. Accordingly, the HR function is organised into three key areas: customer acquisition, resort operations and corporate functions. During the year, focus was on building capabilities through a structured approach to drive the Company's performance. This encompassed implementing changes across all components of the HR function: recruitment, employee engagement, reward and recognition, skill upgrading, talent management, organisational culture and employee relations. The Company organizes a TOP GUN training program where promising young employees are trained to become next level managers. There are 52 permanent Employees on the Rolls of the Company as on 31<sup>st</sup> March, 2020.

### **35. PERSONNEL:**

Presently the Company enjoys cordial relations with employees and believes that human resources are invaluable asset. The Board wishes to place on record its appreciation to all employees for their efforts and co-operation for the performance and growth of business during the year.

### **36. ACKNOWLEDGEMENTS:**

The Directors wish to place on record their appreciation and sincere thanks to the customers, shareholders, banks, financial institutions, investors, vendors, business associates and other associates, who through their continued support and cooperation, have helped, as partners, in the Company's progress.

The Directors also acknowledge the hard work, dedication and commitment of the employees. We wish to place on record our appreciation for the untiring efforts and contributions made by the employees at all levels to ensure that the Company continues to grow and excel.

**For and on behalf of the Board of Directors of  
COUNTRY CONDO'S LIMITED**

**PLACE: HYDERABAD  
DATE : 25-08-2020**

**Y. VARUN REDDY  
VICE-CHAIRMAN & DIRECTOR  
DIN: 01905757**

**D. KRISHNA KUMAR RAJU  
VICE-CHAIRMAN & CEO  
DIN: 00115553**



## **MANAGEMENT AND DISCUSSION ANALYSIS REPORT**

### **OVERVIEW:**

The Real Estate Sector is one of the most globally recognized sectors. Its impact on the overall economy has been deepening over the past few years, mainly because of the rising population on the demand side and enhanced government initiatives as an enabler. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

The Indian economy continued to exhibit steady growth and remained among the fastest growing emerging economies, with a focus on the continued implementation of structural and financial sector reforms and efforts to reduce public debt.

The Central Bank continuously eased the monetary policy following recent cuts in interest rates. However, full benefits are yet to be transmitted to the industry, which may lead to increased investments. Strong measures are being implemented to strengthen the country's financial sector (especially banks) through the accelerated resolution of non-performing assets under a simplified bankruptcy framework.

The benefits of recent structural reforms like demonetization, GST and ongoing bank recapitalization would enhance economic stability.

In India, real estate is the second largest employer after agriculture and is slated to grow at 30 percent over the next decade. It is also expected that this sector will incur more non-resident Indian (NRI) investments in both the short term and the long term. Bengaluru is expected to be the most favored property investment destination for NRIs, followed by Ahmedabad, Pune, Hyderabad, Chennai, Goa, Mumbai, Delhi and Dehradun.

Turning to the domestic economy, GDP growth for 2019-20 has been estimated at 7.2%. Gross fixed capital formation growth has declined sharply to 3.6%, after having been previously in the double-digits. Private consumption growth moderated. However, the overall slowdown in growth was cushioned by a large increase in the government's final consumption expenditure. Reserve Bank of India has estimated GDP growth for 2020-21 at 2.1%.

### **GLOBAL ECONOMY:**

The global economies are facing a synchronized slowdown, resulting from a variety of factors affecting the world. The outbreak of Corona Virus 2019 (COVID19) has globally disrupted people's lives, interrupted businesses and jeopardized decades of development progress. According to The World Economic Outlook (WEO) update, global economic growth has been downgraded to 2.4% in 2019, which is its slowest pace since the global financial crisis of 2008. The decline in growth is the outcome of rising trade tensions between large economies, rising uncertainty surrounding trade and geopolitical issues; along with individual macroeconomic problems such as low productivity growth in emerging economies and aging population in advanced economies. To add to the existing issues, the pandemic outbreak has worsened the economic environment. The crisis is the result of the needed containment measures that forced policymakers to take extreme steps in the form of huge fiscal stimuli to encourage economic activity. With considerable uncertainty around the world due to the pandemic, its macroeconomic fallout, and the associated impact on financial and commodity markets, the World Economic Outlook has estimated global growth to decline by 5.2% in 2020 before recovering by 4.2% in 2021.

In China, the containment efforts such as quarantine and widespread restrictions on travel, have resulted in unplanned delays in restarting factories after the Lunar New Year holiday and sharp cutbacks in many service sector activities. With the existing slowdown visible across the globe, the pandemic is expected to have severe consequences on the world economy leading to lay-offs, reduction in capex by companies and delay in discretionary purchases. The economic activity in U.S. and Eurozone economies is expected to fall sharply as these economies undertake measures to contain the outbreak.

The global real estate market is expected to generate a revenue of USD 4,263.7 billion by 2025, according to a new report by Grand View Research, Inc. due to the increasing demand for housing real estate space, rapid urbanization



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through migration in search for better amenities etc. Rapid economic development in the developing regions and countries like India, China, and many African countries have enhanced income levels and helped in the real estate market.

According to United Nations, approximately 50% of the population lives in urban areas and this figure is set to reach up to 65% in the forecast period owing to the migration into cities which turn into megacities with bustling urban amenities and lifestyle.

Global economic activity lost pace in FY'19, reflecting a further slowdown in global trade and manufacturing activity. While economic activity in the US initially strengthened, factory activity and retail sales moderated. Economic activity in the Euro area remained weak due to muted industrial activity and subdued business confidence. Economic activity slowed in a number of emerging market economies as well, including in China.

The strengthening of the US dollar led to weakening gold prices; however, gold prices picked up since the outbreak of COVID19 from March 2020 on escalating trade tensions, reviving its demand as a safe haven asset. Inflation remained below the target in several economies.

### **INDIAN ECONOMY IN REAL ESTATE:**

The Indian economy decelerated sharply in the fourth quarter at 3.1%, lowest in almost 17 years, after growing at 4.1% in Q3 FY20. As per the Central Statistics Office (CSO), GDP growth for FY20 stood at an 11-year low of 4.2% lower than the government projection of 5.0% in both first and second advance estimates. The country's fiscal deficit worsened to 4.59% of GDP, much beyond the targeted 3.8% of GDP and expected to worsen further with the dip in tax collection and revenue shortage due to the subsequent effects of lockdown on the economy. The core sector contracted by a record 38% in April as the lockdown hit all eight infrastructure sectors. According to the CSO, country's factory output growth contracted to 0.7% in FY20, as against expansion of 3.8% in FY19. Consumer durables output, an indicator of urban demand, contracted by 8.4% in FY20, compared with a growth of 5.5% in FY19.

According to the Asian Development Bank, India's GDP growth is projected to contract by 4.0% in FY2021 before recovering sharply to 6.2% in FY2022, on the assumption of recovery from the pandemic in the second half of 2020. With the lockdown scenario, consumption and investments are expected to be severely impacted in the first quarter. The gross fixed capital formation is likely to decline with rising risk perception and uncertainty around the pandemic. RBI has cut the repo rate by 40 bps to 4.0% in May 2020, which is the lowest ever and rolled out a range of measures to preserve financial stability and counter the economic impact of COVID19.

The central bank has undertaken open market operations and US dollar-rupee swaps to ensure adequate rupee and dollar liquidity during the recent global sell-off. While there is gloom in the near term with the unprecedented situation led by the outbreak, domestic demand will rebound strongly once the pandemic passes and full economic activity resumes. The historical corporate tax cuts introduced in September 2019 are expected to encourage domestic and foreign private investments in the long run.

Also, the alternative tax regime introduced in the latest budget is expected to increase household disposable income, thereby boosting private consumption, and potentially expanding the tax base. FY20 inflation stood at 4.8%, below the RBI's upper target limit and is expected to fall further in the calendar year with declining crude prices and slump in domestic demand, making the rate cuts more favorable. Prices for some manufacturers are likely to increase with supply disruption and rupee depreciation. The country's exports of goods and services are expected to improve once the global economies recover from the shocks of the pandemic. While the long term outlook looks robust for the country, a prolonged COVID19 pandemic would push the global economy into deep recession and further slow Indian growth.

The Indian real estate sector witnessed a slew of structural transformations led by Real Estate (Regulation and Development) Act, 2016 (RERA), Demonetization and GST. In the near-term, these measures generated sectoral tailwinds, which are expected to increase transparency and confidence in the sector.

According to reports, India's real estate sector is expected to grow to US\$ 1 trillion by 2030, accounting for nearly 13% of the country's GDP. The catalysts for this growth can be attributed to rapid urbanization, increasing emergence of nuclear families and rising household incomes.



## **COUNTRY CONDO'S LIMITED**

The country's commercial realty segment, however, continues to enjoy increased capital flows. The sector also witnessed the advent of new niche markets comprising co-working spaces, warehousing, student housing and senior living.

The launch of Real Estate Investment Trusts (REITs) in India has helped institutionalize the commercial sector, empowering developers to mobilize patient long-term capital to catalyze growth across the coming decade. Housing sector is expected to contribute around 11 per cent to India's GDP by 2025. Investment inflows in the housing sector since 2014 have been Rs 590 billion, about 47 per cent of the total invested money in real estate, it said.

### **REAL ESTATE SECTOR:**

The Indian real estate sector has been trying to get back on its feet and come to terms with multiple reforms and changes brought in by demonetization, RERA, GST, IBC, NBFC crisis and the subvention scheme ban. While it was a tough task for the sector to align itself with these new regulations, the measures have been instrumental to bring transparency, accountability and fiscal discipline over the last few years.

Prior to COVID19, the real estate sector was expected to grow to USD 650 billion and contribute around 13% of India's GDP by 2025 (from around 6-7% in 2017), according to ANAROCK Research.

Over-reliance on NBFC funding led to severe funding issues after the IL&FS default, wherein RBI had asked NBFCs to bring down their exposure to real estate sector. The share of NBFC loans to real estate which plunged to 46% of total credit to real estate sector in 2019-20, is expected to further come down. Current Corona Virus outbreak is expected to derail the sector's growth momentum in the short term due to its impact on the overall slowing economy. According to industry estimates, 90% of the workforce employed in real estate and construction sector is engaged in the core construction activities, while the rest 10% is involved in other ancillary activities. Since majority of the workers are immigrants, labor shortage could possibly pose a major challenge for the sector post COVID19 lockdown.

While the pandemic outbreak could temporarily disrupt the sector, there are certain green shoots in this adverse situation. The recent liquidity crisis has worsened the situation for smaller players which were anyway finding it difficult to adhere to new norms laid by RERA leading to a new wave of consolidation. Industry consolidation is likely to get accelerated further with the COVID19 outbreak and many weak players may cease to exist. Larger established players with strong access to funding are expected to gain market share. Also, the current situation is expected to open up a lot of business development opportunities for well capitalized developers.

### **RESIDENTIAL REAL ESTATE MARKET:**

The Indian residential sector has been grappling with subdued demand for the past few years and the recent developments (ongoing impact of NBFC crisis and COVID19) have made things even more difficult for the sector. According to the property research firm Knight Frank, the total sales volume in the top eight cities increased by a modest 1% in Calendar year 2019 to 245,861 units as the sector continued to be impacted by the prolonged crisis in the NBFC sector. While certain measures such as the consecutive rate cuts by the RBI, the reduction of GST rates to 1% for affordable housing and 5% for others and the setting up of an Alternative Investment Fund (AIF) have helped home-buyer sentiments, they've had little impact on the sales for the sector. New launches increased by 23% to 223,325 units across eight cities including Mumbai, Bengaluru and the National Capital Region (NCR). This came after a sharp jump in launches in Calendar year 2018 (+76% YoY) when the sector started coming to terms with the RERA regime. Ahmedabad witnessed the sharpest growth in new launches at 176%, followed by Hyderabad which recorded launch growth at 150%.

During the last few years, government decisions like demonetization, GST, RERA and the Benami Transactions (Prohibition) Amendment strengthened the end user market, moderating speculation in physical markets. The Government remains committed to enhance the role of affordable housing, strengthening its Housing for All commitment. In the recent past, this industry segment was encouraged through infrastructure status, refinancing options and tax incentives.

Market traction could have been better but was impacted by the recent turmoil in the NBFC sector, which caused some stress to cash starved developers. Whilst, the launches and sales there was limited upward movement in realizations and pricing. Stronger traction was witnessed for completed projects owing to lower risk and non-applicability of GST on completed inventory, enhancing attractiveness.

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The growth in residential prices in most of the top eight cities of India has been below retail inflation growth since CY2016, with the gap only widening since H1 2016. Hyderabad has been the only market to beat the trend and register residential price growth over the retail inflation level. According to an affordability benchmark study by Knight Frank India, ideal affordability is identified at 4.5 times the average annual household income in a city and except for Mumbai, NCR and Hyderabad, all other markets are below the ideal affordability benchmark. While Mumbai continues to be the most expensive housing market with affordability index of 7.1, it has seen affordability of homes significantly improve from 11 times the annual household income in 2010. NCR and Hyderabad are marginally above the benchmark affordability with scores of 5 each, while Bengaluru has an affordability index of 3.9. The affordability levels have risen the most for Pune at just 2.5 times of their average household incomes.

### **Mumbai**

The Mumbai Metropolitan Region (MMR) faced a difficult year with sales dropping by 5% YoY to 60,943 units in Calendar Year 2019. The extent of decline has been lower in the affordable and mid-segment markets of MMR. The NBFC crisis along with looming economic slowdown has compounded the problem for real estate and the trend of strong growth in new launches in the MMR has also tapered. The launches grew by 7% YoY and stood at 79,810 units in Calendar year 2019. Developers continued to focus on right sized launches to cater to end-user demand. Affordable houses continued to dominate launches in MMR with 61% of the new launches in H2 2019 coming in the sub INR 75 lakh category. A decline in sales momentum and growth in launches led to rise in the unsold inventory levels, up 15% YoY to 145,301 units in Calendar year 2019.

### **Bangalore**

In H1 2019, while the sales momentum was slow due to lack of clarity on the new GST rates for under-construction projects; the sales recovered in the H2 2019 period. Bangalore has managed to record robust sales which were up 10% YoY in Calendar year 2019 and stood at 48,076 units. In terms of sales volumes growth, Bangalore has been the top performer amongst the 8-cities under consideration. The improved buyer sentiment along with steady demand has resulted in higher launches in Calendar year 2019. New launches stood at 33,772 units in Calendar year 2019, up 23% YoY. The unsold inventory dropped by 15% to 78,414 units in Calendar year 2019 compared to 92,718 units in Calendar year 2018.

### **NCR**

NCR market continued to witness steady demand recovery with housing sales of 42,827 units, up 5% in Calendar year 2019. The market has seen an upsurge of new launches after the downward trend which started in 2016, rising by 45% in Calendar year 2019 to 22,905 units. The growth in new launches indicates that the developers in the region are carefully assessing demand and focusing on completing existing projects. With the existing issues, the apex court ban in Delhi - NCR in the wake of increased pollution levels in November 2019 also negatively impacted projects nearing completion. However, cautious new launches and steady sales recovery have improved the unsold inventory levels in NCR in Calendar year 2019, which is down 14% in Calendar year 2019 to 122,084 units. As a result, the quarters-to-sell (QTS) has also declined from 14.5 in Calendar year 2018 to 11.7 quarters in Calendar year 2019.

### **Pune**

The Pune residential market recorded another strong year in terms of launches in Calendar year 2019. The launches grew by 37% to 44,660 units in Calendar year 2019. The growth was driven mainly by the launches in the affordable and mid segments, wherein 86% of new launches during H2 2019 were in less than INR 50 lakh ticket size segment and 91% of launches during were in the less than INR 75 lakh category. Over a 5-year period between Calendar year 2014 and Calendar year 2019, the average size of apartments in Pune has shrunk by 26%, indicating developers' focus on launching compact homes. The annual sales decreased by 2% and stood at 32,809 units in Calendar year 2019, impacted by a slump in the manufacturing sector, particularly the automobile industry. The interest rate cuts have also not helped to revive housing sales in Pune as banks are yet to pass on the benefit of repo rate cut by RBI. Unsold inventory levels in the Pune market shot up by 43% to 39,468 units in Calendar year 2019 as the launches have been significantly higher than sales.

### **COVID 19 Impact on Residential Real Estate**

COVID-19 has severely hit residential real estate business and the sector has come to a standstill in the short term. While the sector was coming out of the woods after the liquidity crisis initiated by the IL&FS fiasco and subsequent fallout of various financial institutions, the pandemic outbreak could further impact residential sector.

#### **Drop in new launches and slump in sales volumes**

Amidst the current COVID-19 outbreak, the sector is likely to witness major disruptions due to construction delays and financing issues. Also, many prospective customers could consider postponing their decisions either to stay away from the project sites or in the expectations of a price correction. According to ANAROCK Research, new launches could decline by 25%-30% and sales volume could decline by 25%- 35% in Calendar year 2020.

#### **Accelerated Consolidation**

Post Demonetization, RERA and Liquidity crisis, the survival of the fittest and financially strongest has become the new norm in the Indian real estate sector and well capitalized & established players have gained substantial market share over the years. This consolidation phase is likely to continue amidst the current COVID-19 outbreak and probably accelerate, as we emerge from this pandemic and many weak players may cease to exist.

### **OFFICE MARKET**

The Indian office market has been fairly resilient from the broad macro concerns due to slowdown in the economy and gained strong traction in CY2019 with record supply hitting the market during the year, according to a report by Knight Frank. The office space supply rose sharply by 56% YoY to 61.3 million sq. ft. in CY2019. The office sector also witnessed highest ever transaction activity of 60.6 million sq. ft., up 27% YoY. The Hyderabad office market particularly witnessed a very strong year, recording transactions to the tune of 12.8 million sq. ft. (up 82% YoY), which is nearly twice its previous high. The IT/ ITeS sector contributed around 41% of transacted volume in H2 2019, while share of BFSI dipped to 16% resulting from NBFC crisis and credibility issues with some banks. Co-working space continued its growth momentum, accounting for 12% of the total transactions, up from 8% in the previous year.

India's office space absorption is expected to rise gradually across the near-to-medium term owing to robust economic fundamentals and a positive investor sentiment. The Commercial Office space is marked by evolving occupier trends, mostly driven by a rise in co-working demand. Co-working spaces no longer address only start-ups and SMEs, rather a substantial demand emanating from large mainstream Corporates. The principal drivers of co-working spaces comprise savings in upfront operational costs and a flexibility in scaling or downsizing requirements. This trend is also helping developers in launching small office spaces and widening the tenant mix. Besides, quality standards in commercial offices are rising, marked by increased safety, sustainability and wellness as demanded by multinational tenants and space owners.

#### **Retail Segment**

India's retail industry continues to get progressively organized, moving towards experiential retail where the key to success will be increasingly influenced by competent mall management and a healthy tenant mix.

As per recent JLL reports, the Grade A retail stock is expected to grow to nearly 9.57 msm (103 msf). Delhi-NCR leads commercial realty stock creation, accounting for approximately 32% of the total retail space in India.

Besides, quality-driven malls have been consistently reporting superior occupancy levels and steady growth in trading densities. The changing landscape of the retail segment has prompted the adoption of consumer analytics to decode consumer preferences and enhance the shopping experience.



### **BUDGET 2020 – TAKEAWAYS**

Budget 2020 did not have much to offer to the real estate sector except for extension of benefits for affordable housing by one year and concession in real estate transactions. It had no measures to boost the demand in non-affordable housing category or liquidity in the sector. Some of the key measures include:

#### **Interest deduction benefit on affordable housing**

The Government in its attempt to boost affordable housing demand, proposed to extend additional tax benefit of INR 1.5 Lakh on interest paid on affordable housing loans by one year till March 2021. The additional deduction is over and above INR 2 Lakh which was introduced in the previous year's budget.

#### **Tax holiday for Affordable housing developers**

In order to encourage developers to focus on affordable housing projects, the Government extended the date of approval for these projects for availing tax holiday on profit earned by developers by one year till March 2021. The tax holiday which was being provided under section 80-IBA for approved projects during the period from June 1, 2016 to March 31, 2020 has been extended by a year.

#### **Rationalization of capital gains tax on difference between circle rate and transaction rate**

Earlier for real estate transactions, if the consideration value was less than circle rate by more than 5%, the difference was considered as income accruing to both the buyer and seller and hence taxable to both. In order to facilitate real estate transactions and provide relief to the sector, the government increased the limit from 5% to 10%.

#### **New income tax regime for taxpayers**

The Government introduced an alternative tax regime and in case an individual moves to the new tax regime, the tax exemption including deduction repayment of principal (for INR 1.50 Lakh) and deduction on interest payable on housing loan has to be forgone, which is potentially negative for the sector.

### **GOVERNMENT INITIATIVES:**

The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies. Below are some of the other major Government Initiatives:

#### **1. Pradhan Mantri Awas Yojana**

Some of the recent reforms and policies taken by the Government of India related to real estate sector include the Pradhan Mantri Awas Yojana (PMAY) with the government sanctioning over 15.1 million houses for the affordable housing segment in urban regions till November 2019. Of this, about 5.6 million houses have been grounded and are at various stages of construction, and about 9.5 million houses have been built under the mission.

#### **2. PPP policy for affordable housing**

PPP policy for affordable housing was also announced on 21st September 2017 for affordable housing segment to provide further impetus to the ambitious 'Housing for all by 2022' mission.

#### **3. Real Estate (Regulation & Development) Act, 2016**

With the enactment of Real Estate (Regulation & Development) Act, 2016, it is anticipated that accountability would lead to higher growth across the real estate value chain, while compulsory disclosures and registrations would ensure transparency.

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### **4. Goods And Service Tax**

New norms stipulated a one-time option to continue with existing slabs (effective rate of 12% for regular and 8% for affordable housing) with input tax credit or switch to new slabs (5% for regular and 1% for affordable housing) without input tax credit for under-construction or ongoing realty projects.

New projects mandatorily have to be in 5% slab for regular segment and 1% slab for affordable segment without any input tax credit. New norms are applicable for residential properties only, while there has been no change for commercial properties.

### **GROWTH, OPPURTUNITIES AND CHALLENGES:**

The year 2019 as we all know has set a new benchmark for the Indian real estate sector. The implementation of demonetisation in November 2016 had the entire economy reeling until the first quarter of 2017 and the realty segment was not pardoned either, with land sales reaching stagnation due to more involvement of cash transactions. However, this eventually helped reduce land prices thereby making the end products more affordable to the consumers. By April 2017, when the markets were looking to stabilise, RERA and GST were announced in succession which again caused some inertia due to confusion among buyers and developers alike, with both awaiting the final set of RERA notifications/legislation from their respective state regulatory bodies.

### **OPPORTUNITIES:**

#### **Consolidation**

The Indian real estate sector has been in a consolidation phase from the past few years and picked up pace resulting from several reforms and disruptions in the sector. After the IL&FS default, NBFCs have been mandated by RBI to reduce their exposure to real estate sector, which has created funding issues for smaller real developers who anyway do not have access to bank funding. In such cases, these players face a double whammy – issues in construction funding on one hand and existing deal cancellations due to halt in construction activity on the other hand. This opens up new avenues of growth for organized developers with healthy balance sheets and execution track record to take over the projects of smaller developers at attractive valuations. It allows them to increase their portfolio offering and improve home-buyer confidence. The ongoing consolidation is expected to accelerate further amidst COVID19 and established, well capitalized players stand to gain further market share.

#### **Affordable Housing**

Affordable housing continues to remain a significant opportunity for players and key focus area of government, as major short supply of housing lies in the economically weak and low-income segments. The government's constant push for affordable housing has shifted the focus from high-end and luxury segments to the affordable segment. According to ANAROCK research, during the past 5 years, the share of launches in the affordable segment across the top 7 cities of India, has risen from Calender year 35% in 2013 to 40% in Calender year 2020. This share is expected to increase further in the near future owing to subsidies provided by government to promote affordable housing. In Budget 2020, the government announced several measures to boost affordable housing. In its attempt to boost the affordable housing demand, the government has proposed to extend additional tax benefit of INR 1.5 Lakh on interest paid on affordable housing loans by one year till March 2021. Also, in order to encourage developers to focus on affordable housing projects, the Government has extended the date of approval for these projects for availing tax holiday on profit earned by developers by one year till March 2021.

#### **Digital Real Estate Sales**

With the rapidly evolving marketing landscape, digital marketing tools have emerged as important tools for real estate companies to amplify their sales and reach out to customers globally. With a sharp focus on building consumer experience and connection through digital means, established brands will be ahead of the curve, giving a competitive edge to their business. According to the report 'Real Estate in a Digital Age', around 94% of millennials and 84% baby boomers searched for their future homes online. Social media platforms can be extensively used to promote listings, maintain relationships



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with existing customers and find new prospects. The recent lockdown due to COVID19 has forced real estate companies to focus much more on digital marketing and online platforms.

### **Monetary Easing**

The real estate sector performance is closely linked to the country's economic fundamentals and monetary policies. The Reserve Bank of India cut its benchmark repo rate by 250 bps since February 2019 to 4.0%, which is the lowest ever repo rate in its attempt to support the slowing economy from further deterioration due to COVID19. Monetary easing initiatives are expected to provide an impetus to housing demand once the economy revives and encourage home buyers and real estate developers.

### **PMAY to take care of housing for all:**

The yearning design of the Prime Minister to construct homes for all by 2022 will definitely get a noteworthy change financially with \$1.3 trillion. This will make 60 million new houses and 2 million occupations throughout the following 4-5 years. Each task is presently getting enrolled under PMAY conpire; the urban real estate segment will see a significant lift in 2020. Affordable housing could rise as the characterizing pattern in 2020.

### **Clean Capital:**

Because of the absence of transparency in the area, it was hard to get a spotless capital from monetary foundations. In any case, circumstances are different since RERA and Demonetization have had an impact as there has been an entire change in the process of purchasing and offering of a home. Investors and monetary foundations have opened up the road for clean capital. This unquestionably demonstrates the positive picture in 2020.

## **CHALLENGES AND THREATS:**

### **Regulatory Hurdles**

Unfavorable changes in government policies and the regulatory environment can adversely impact the performance of the sector. There are substantial procedural delays with regards to land acquisition, land use, project launches and construction approvals. Retrospective policy changes and regulatory bottlenecks may impact profitability and affect the attractiveness of the sector and companies operating within the sector.

### **Funding**

The lending to real estate developers by NBFCs and HFCs fell by almost half to about INR 27,000 Crores in Financial Year 2019-20, triggered by the IL&FS crisis, according to a report by property consultant JLL. This NBFC crisis has further deteriorated the liquidity situation for smaller developers who had to resort to alternative funding in absence of long term loans from banks. While established developers with lean balance sheets continue to have funding access, many developers are facing significant liquidity pressure.

### **Job loss in other sectors affect the Indian real estate sector majorly:**

People earning in the bracket of Rs. 2 million and Rs. 8 million per annum are the major investors in the Indian real estate sector. They thus make up for a huge portion of the factors responsible in the sector's growth. Most people in this category are employees in IT and other service sector companies. According to IIFL (2019) India's IT and BPO sector employs over 4 million people. However, after the impact of COVID 19 recently, according to many reports, employees working in the middle management of these industries are at a higher risk of job loss due to increased automation and artificial intelligence tools (Money Control, 2019). This affects their ability to purchase a premium or mid-premium house. Thus the issue of job loss has hit the sector directly, and demand for housing will continue to drop (particularly in cities) as a result.

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### **Inventory pile-up in the Indian real estate sector:**

The pile up has been caused due to a number of reasons like fall in demand, litigation issues, failure to deliver projects on time, poor planning, etc. This has resulted into 2,50,000 units of unsold residential houses in Delhi-NCR alone. Most of the builders consider unsold flats as work in progress but until the property is sold, they have to pay high interest rate. This also delays launch of new projects.

### **Low rental yield from the Indian real estate sector**

Rental yields in India is among the lowest in the world at 2.2% (Equity master, 2019). This makes buyers looking for property only as investment somewhat skeptical of purchasing. Also gross rental income in the major cities Mumbai, New Delhi, and Bangalore are quite poor despite a consistent rise in property prices (Shanu, 2018; Singh, 2019). This indicates that real estate in India is overpriced in some locations, making it a dull investment option. Thus low rental yield is a major challenge for real estate.

### **Difficulty in getting bank loans and delay in possession:**

Home loan seekers commonly face difficulties in procuring a loan from banks and non-banking financial institutions (NBFCs). The top reason is facing rejection of application due to lack of knowledge about documentation and lack of required credit score. Another reason is lack of required sum for down payment on the loan. Furthermore, dilemma in choosing the interest rate, time taken for property evaluation and the lengthy loan disbursement process (Financial Express, 2019). In most cases banks approve loans quickly, they take much longer to disburse the loan. During this period customers are faced with increased costs and waning interest on the property. Despite the launch of friendly mobile applications and instant customer service, this issue remains grave in the financial sector.

### **RISKS AND CONCERNS:**

- 1. Changing demographics:**  
Aging and urbanizing populations are changing competitive dynamics and creating new markets in real estate.
- 2. Pricing uncertainty:**  
With few transactions taking place in the real estate market, valuations are a problem for existing owners, as well as buyers and sellers.
- 3. Global economic and market fluctuations:**  
Due to capital flows and business expansion, the real estate industry has become a truly global industry and, as such, is increasingly susceptible to global market fluctuations.
- 4. Economic vulnerability and regulatory risks in developing markets:**  
developing markets are a key focus for global real estate firms but regulatory risk in these markets is constantly changing as authorities seek to jump start economies.

### **OUTLOOK**

2021 is expected to be a year of consolidation of products and services in the sector - with the impacts of all policy initiatives taken in 2019-20 beginning to take shape in the coming year. More joint ventures/joint developments will be the order of the day with financially distressed developers being taken over by larger players and presenting the industry with a fresh line up of competitors. Completion of existing projects will be prioritized over launching new ones, hence, 2021 looks promising for a good supply of houses across major Indian markets. In order to achieve this, developers will be remodeling their business processes to streamline delivery and allied services, without stretching themselves too much in terms of debt or scope of work.

The Government's efforts to boost "affordable housing" by conferring "infrastructure status" to this segment and announcing various tax incentives will continue to attract more prominent developers to realign their products to compete in this category. The Union Cabinet's decision to increase the carpet area of affordable units to 120 sq.m and 150 sq.m for MIG-



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I (income category 6-12 Lakhs per annum) and MIG-II (income category of 12-18 Lakhs per annum) segments respectively, coupled with an interest subsidy of upto 4%, will benefit both buyers and sellers as options increase for the former and inventories are cleared for the latter. Affordable housing will therefore become an important segment in every developer's portfolio in 2019. Developers could also be focusing on their niche expertise in the new year, specializing in the various segments of real estate, e.g., plotted developments, residential projects, townships, and commercial spaces; and hence, specialist service providers could be emerging in each of these categories.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an adequate internal control system, corresponding with the size and nature of its business. The system of internal control is supported by documented policies, guidelines and procedures to monitor business and operational performance which are aimed at ensuring business integrity and promoting operational efficiency.

The Company has an Internal Auditor who oversees the entire internal audit function. However, given the size of its operations in terms of nature of its business, it also uses services of independent audit firms to conduct periodic internal audits in line with an audit plan that is drawn at the beginning of the year. This audit plan, prepared by the Internal Auditor, is approved by the Audit Committee and the Board of Directors.

Internal audit reports are placed periodically before the Audit Committee of the Board of Directors, which reviews the adequacy and effectiveness of the internal control systems and suggests improvements for strengthening them.

### **SEGMENT WISE PERFORMANCE:**

The Company is primarily engaged only in the business of sale of Plots under Real Estate Segment in India. As per the Indian Accounting Standard 108 on Segment Reporting, the Board would like to inform that under the real estate segment total Revenue was Rs.1788.89 Lakhs only. The Total Profit Before Tax for the Company was Rs.84.35 Lakhs only & Total Profit After Tax for the Company was Rs.62.14 Lakhs only.

### **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE OF THE COMPANY:**

The Company achieved a turnover of Rs.1788.89 Lakhs only and The Total Profit Before Tax for the Company was Rs.84.35 Lakhs only & Total Profit After Tax for the Company was Rs.62.14 Lakhs only.

**For and on behalf of the Board of Directors of  
COUNTRY CONDO'S LIMITED**

**PLACE: HYDERABAD  
DATE : 25-08-2020**

**Y. VARUN REDDY  
VICE-CHAIRMAN & DIRECTOR  
DIN: 01905757**

**D. KRISHNA KUMAR RAJU  
VICE-CHAIRMAN & CEO  
DIN: 00115553**

## ANNEXURES TO DIRECTORS' REPORT

### Annexure-I

**EXTRACT OF ANNUAL RETURN (MGT-9) as on the financial year ended on 31<sup>st</sup> March 2020**  
**[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies**  
**(Management and Administration) Rules, 2014]**

#### I. REGISTRATION AND OTHER DETAILS

- i) CIN : L63040TG1987PLC007811
- ii) Registration Date : 25.09.1987
- iii) Name of the Company : Country Condo's Limited
- iv) Category / Sub-Category of the Company : Company limited by Shares & Indian Non Government Company
- v) Address : 8-2-703, Mahogany Complex, Ground Floor, Amrutha Valley, Road No.12, Banjara Hills, Hyderabad - 500034
- vi) Whether listed company Yes / No : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Aarathi Consultants Private Limited,  
1-2-285, Domulguda, Hyderabad, Telangana - 500 029  
Phone: 040-27638111; 27634445  
Fax: 040-27632184  
Email ID: info@aarthiconsultants.com  
Website: www.aarthiconsultants.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are as under:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Real Estate Services	6810	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: N.A

No. of Companies for which information is being filled: **NIL**



## COUNTRY CONDO'S LIMITED

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

#### A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2019)				No. of Shares held at the end of the year (As on 31-03-2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a. Individual/HUF	41946222	0	41946222	54.06	41946222	0	41946222	54.06	0.00
b. Central Govt	0	0	0	0.00	0	0	0	0.00	
c. State Govt (s)	0	0	0	0.00	0	0	0	0.00	
d. Bodies Corp.	0	0	0	0.00	0	0	0	0.00	
e. Banks / FI	0	0	0	0.00	0	0	0	0.00	
f. Any Other....	0	0	0	0.00	0	0	0	0.00	
<b>Sub-total (A) (1):-</b>	<b>41946222</b>	<b>0</b>	<b>41946222</b>	<b>54.06</b>	<b>41946222</b>	<b>0</b>	<b>41946222</b>	<b>54.06</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	
e) Any Other....	0	0	0	0.00	0	0	0	0.00	
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	
<b>Total shareholding of Promoter (A) = (A)(1)+ (A)(2)</b>	<b>41946222</b>	<b>0</b>	<b>41946222</b>	<b>54.06</b>	<b>41946222</b>	<b>0</b>	<b>41946222</b>	<b>54.06</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	
c) Central Govt	0	0	0	0.00	0	0	0	0.00	
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	
g) FIs	0	0	0	0.00	0	0	0	0.00	
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp	769739	75100	777239	1.00	677505	73100	684805	0.88	(0.12)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 Lakhs	17651698	5889204	23540902	30.34	17772996	5849504	23622500	30.44	0.10
ii) Individualshareholders holdingnominal share capital in excess of Rs 2 Lakhs	9733027	0	9733027	12.54	10038180	0	10038180	12.94	0.40
c) Others									
i) NRI's	347269	993300	1340569	1.73	270988	987200	1258188	1.62	(0.11)
ii) Clearing Members	259341	0	259341	0.33	47405	0	47405	0.06	(0.27)
<b>Sub-total (B)(2):-</b>	<b>28761074</b>	<b>6890004</b>	<b>35651078</b>	<b>45.94</b>	<b>28807074</b>	<b>6844004</b>	<b>35651078</b>	<b>45.94</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	<b>28761074</b>	<b>6890004</b>	<b>35651078</b>	<b>45.94</b>	<b>28807074</b>	<b>6844004</b>	<b>35651078</b>	<b>45.94</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0
<b>Grand Total (A+ B +C)</b>	<b>70524356</b>	<b>7072944</b>	<b>77597300</b>	<b>100.00</b>	<b>70753296</b>	<b>6844004</b>	<b>77597300</b>	<b>100.00</b>	<b>0</b>

## COUNTRY CONDO'S LIMITED

### B. Shareholding of Promoters & Promoters Group:

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2019)			Shareholding at the end of the year (As on 31-03-2020)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Y. Rajeev Reddy	39855121	51.36	0	39855121	51.36	0	0.00
2	Y. Manjula Reddy	8700	0.01	0	8700	0.01	0	0.00
3	Y. Siddharth Reddy	988920	1.27	0	988920	1.27	0	0.00
4	Y. Varun Reddy	1087681	1.40	0	1087681	1.40	0	0.00
5	Y. Nikhila Reddy	5800	0.01	0	5800	0.01	0	0.00
	<b>Total</b>	<b>41946222</b>	<b>54.06</b>	<b>0</b>	<b>41946222</b>	<b>54.06</b>	<b>0</b>	<b>0.00</b>

### C. Change in Promoters' Shareholding:

S.No.		Shareholding at the beginning of the year (As on 01-04-2019)		Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year	41946222	54.06	41946222	54.06
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer / bonus/ sweat equity etc):	-	-	-	-
3	<b>At the End of the year</b>	<b>41946222</b>	<b>54.06</b>	<b>41946222</b>	<b>54.06</b>

### D. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SHAREHOLDING AT THE BEGINNING OF THE YEAR (As on 01-04-2019)				SHAREHOLDING AT THE END OF THE YEAR (As on 31-03-2020)			
Sl. No	NAME	No. of shares	% of total shares of the company	Sl. No	NAME	No. of shares	% of total shares of the company
1.	VENKATA VARA PRASAD PASUMARTHY	1320893	1.70	1.	VENKATA VARA PRASAD PASUMARTHY	1320893	1.70
2.	KAMBAMPATI NAGA VENKATA BHAGYA LAKSHMI ANJANI BABY	821656	1.06	2.	KAMBAMPATI NAGA VENKATA BHAGYA LAKSHMI ANJANI BABY	821656	1.06
3.	GANDRA SAROJA	760673	0.98	3.	GANDRA SAROJA	760673	0.98
4.	GANDRA SRINIVASA REDDY	582049	0.75	4.	GANDRA SRINIVASA REDDY	582049	0.75
5.	SANTOSH SHARMA	500000	0.64	5.	SANTOSH SHARMA	500000	0.64
6.	SUNEETHA MARGANI	486378	0.63	6.	SUNEETHA MARGANI	486378	0.63
7.	RL SWAMY NAMBURI	396750	0.51	7.	SURENDER BHADANA	404965	0.52
8.	D KAVITHA	321123	0.41	8.	RL SWAMY NAMBURI	396750	0.51
9.	RATNA SRINIVAS THONDEPU	314600	0.41	9.	D KAVITHA	321123	0.41
10.	SURENDER BHADANA	301771	0.39	10.	RATNA SRINIVAS THONDEPU	314600	0.41



**E. Shareholding of Directors and Key Managerial Personnel:**

Sl. No	Name	Shareholding at the beginning of the year (As on 01-04-2019)		Shareholding at the end of the year (As on 31-03-2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Shri Y. Rajeev Reddy	39855121	51.36	39855121	51.36
2	Shri Y. Siddharth Reddy	988920	1.27	988920	1.27
3	Shri Y. Varun Reddy	1087681	1.40	1087681	1.40
4	Shri D. Krishna Kumar Raju	3410246	4.39	3410246	4.39
5	Smt Y. Manjula Reddy	8700	0.01	8700	0.01
6	Shri Vanarasi Kodanda Ramudu	0	0.00	0	0.00
7	Shri Samreddy Bal Reddy	0	0.00	0	0.00
8	Shri Godha Venkateshwar Rao	0	0.00	0	0.00
9	Shri Athmuri Vsb Laxmipathi Rao	0	0.00	0	0.00
10	Shri. K. Subramanyam Raju	0	0.00	0	0.00
11	Shri Laxmikanth Jakhotia (Company Secretary)	0	0.00	0	0.00
12	Shri Gandhi Upputuri (CFO)	0	0.00	0	0.00

**F. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	30,96,115	78,24,247	-	1,09,20,362
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	<b>30,96,115</b>	<b>78,24,247</b>	-	<b>1,09,20,362</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	23,05,196	-	-	23,05,196
• Reduction	20,98,629	4,99,998	-	25,98,627
<b>Net Change</b>	<b>2,06,567</b>	<b>(4,99,998)</b>	-	<b>(2,93,431)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	33,02,682	73,24,249	-	1,06,26,931
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	<b>33,02,682</b>	<b>73,24,249</b>	-	<b>1,06,26,931</b>

## COUNTRY CONDO'S LIMITED

### V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Sri Y. Rajeev Reddy	Sri Y. Siddharth Reddy	Sri Y. Varun Reddy	Sri D. Krishna Kumar Raju	
1.	<b>Gross Salary</b> (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	36,00,000	36,00,000
					3,60,000	3,60,000
2.	<b>Stock Option</b>	NIL	NIL	NIL	NIL	NIL
3.	<b>Sweat Equity</b>	NIL	NIL	NIL	NIL	NIL
4.	<b>Commission</b> - as % of profit - others, specify...	NIL	NIL	NIL	NIL	NIL
5.	<b>Others, please specify</b> - leave travel allowance	NIL	NIL	NIL	3,30,000	3,30,000
	<b>Total (A)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>42,90,000</b>	<b>42,90,000</b>
	<b>Ceiling as per the Act</b>					

#### B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Smt. Y. Manjula Reddy	Sri Godha Venkateshwar Rao	Sri K. Subramanyam Raju	Sri Samreddy Bal Reddy	Sri Vanarasi Kodanda Ramudu	Sri Athmuri VSB Laxmi pathi Rao	
1	<b>Independent Directors</b>  • Fee for attending board/ committee meetings • Commission • Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total (1)</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2	<b>Other Non-Executive Directors</b>  • Fee for attending board/ committee meeting • Commission • Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total (2)</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total (B) = (1 + 2)</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total Managerial Remuneration</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Overall Ceiling as per the Act</b>							

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	<b>Gross Salary</b> (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	7,80,000	27,00,000	34,80,000
2.	<b>Stock Option</b>	NIL	NIL	NIL
3.	<b>Sweat Equity</b>	NIL	NIL	NIL
4.	<b>Commission</b> - as % of profit - others, specify...	NIL	NIL	NIL
5.	<b>Others, please specify</b> - leave travel allowance	NIL	2,25,000	2,25,000
	<b>Total</b>	<b>7,80,000</b>	<b>29,25,000</b>	<b>37,05,000</b>

**VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

**ANNEXURES TO DIRECTORS' REPORT****Annexure-II****NOMINATION & REMUNERATION POLICY  
(DIRECTORS, KMP & SENIOR MANAGEMENT)****INTRODUCTION**

In pursuance of the Company's philosophy to consider its employees as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and, in terms of the provisions of the Companies Act, 2013, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination & Remuneration Committee and approved by the Board of Directors.

**OBJECTIVE**

The objective and purpose of the Policy are as given below:

1. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
2. To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
3. To provide them reward linked directly to their effort, performance, dedication and achievement of Organization's goals as entrusted on them.
4. To retain, motivate and promote talent and to ensure long term retention of talented managerial persons and create competitive advantage.

In the context of the aforesaid objectives the following policy has been framed and recommended by the Nomination & Remuneration Committee jointly with the Human Resources Department of the Company and adopted by the Board of Directors at its meeting held on 26<sup>th</sup> March, 2015.

**DEFINITIONS**

1. Board means Board of Directors of the Company.
2. Directors means Directors of the Company.
3. Committee means Nomination & Remuneration Committee of the Company as constituted or reconstituted by the Board.
4. Company means Country Condo's Limited
5. Independent Director means a Director referred to in Section 149 (6) of the Companies Act, 2013.
6. Key Managerial Personnel (KMP) means:
  - i. Executive Chairman and / or Managing Director;
  - ii. Whole-time Director;
  - iii. Chief Financial Officer;
  - iv. Company Secretary;
  - v. Such other officer as may be prescribed under the applicable statutory provisions / regulations.
  - vi. Senior Management
  - vii. Senior Management means personnel of the Company occupying the position of Chief Executive Officer, Chief Operating Officer, Executive Vice President or Vice President of any division of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.



## **COUNTRY CONDO'S LIMITED**

This Policy is divided in two parts: Part – A covers the appointment and nomination and Part – B covers remuneration and perquisites etc.

### **PART – A**

#### **POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

##### **APPOINTMENT**

1. The candidate for a position at Director, KMP or Senior Management level is met by the Head HR and the Director to whom the position reports into. The interview is targeted at assessing the candidate on his/ her functional & leadership capabilities and cultural fitment to the organization.
2. The MD assesses the shortlisted candidates.
3. The candidate selected through the above rounds is met by the Corporate HR for fitment to the group values and leadership capability requirements.

The selected candidate's details and the proposed compensation is shared with the Nomination & Remuneration Committee for their review and suggestions. The same is shared with the Board at the next board meeting.

##### **TERM/ TENURE**

The tenure for Directors of Company shall be governed by the terms defined in the Companies Act, 2013. However, the tenure for other KMP and Senior Management Personnel will be governed by Company's HR policy.

##### **EVALUATION**

The performance of the whole-time Director, KMP and Senior Management Personnel is evaluated at regular intervals (half yearly/ yearly) by the whole-time Directors/ Managing Director, as applicable.

The performance evaluation of Independent Directors shall be done by the Board, excluding the Director being evaluated, basis the contributions made to the Board deliberations on various matters including business strategy, financial strategy, operations, cost and risk management, etc., and suggestions given in this regard.

##### **REMOVAL**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Managing Director / Chief Executive Officer may recommend, to the Committee and the Board with reasons recorded in writing, removal of a Director, subject to the provisions and compliance of the said Act, rules and regulations.

For other KMP or Senior Management Personnel, the removal will be governed by Company's HR policy and the subsequent approval of the Managing Director / Chief Executive Officer.

##### **RETIREMENT**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Managing Director / Chief Executive Officer will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**PART – B**

**POLICY RELATING TO EVALUATION AND REMUNERATION OF THE WHOLE-TIME DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL**

**EVALUATION PROCESS:**

A two point rating scale for performance review of Executive Director, KMP, and Senior Management is be followed:

1. **Rating on Basic Job Responsibilities:** Indicating whether the basic job responsibilities have been met during the year.
2. **Rating on Goals:** Annual rating on each goal on a five point scale. Weighted average of the ratings is calculated to arrive at a 'Weighted Goal Score'.

Based on a holistic view of the two point rating, the supervisor provides an overall rating. This rating is reviewed by the Managing Director / Chief Executive Officer who does a Qualitative review of the performance based on the efforts put in by the employee, results achieved and impact of the external and internal factors, to arrive at a 'final annual rating'.

The revision in the total remuneration is directly linked to the 'final annual rating' for all employees.

1. The remuneration/ compensation/ commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Managing Director / Chief Executive Officer in accordance with the Company's HR policy, which is based upon the final annual rating, employee potential and market benchmark compensation. The revised remuneration is shared with the Nomination & Remuneration Committee for review.
2. If the stock options are granted to any Employee then, the company stock options granted under the Employee Stock Grant Scheme to the Whole-time Director and Senior Management Personnel will be determined by the Managing Director / Chief Executive Officer as per the ESGS guidelines and recommended to the Committee and the Board for approval in the subsequent board meeting.
3. The remuneration/ compensation/ commission etc. shall be subject to the prior/ post approval of the shareholders of the Company and Central Government, wherever required.
4. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
5. Increments to the existing remuneration / compensation structure may be recommended by the Managing Director / Chief Executive Officer to the Committee and the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director. Increments will be effective from that respective date as the Board determines, in respect of a Whole-time Director and other employees of the Company.
6. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employee for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**ANNEXURES TO DIRECTORS' REPORT**  
**Annexure-III**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

For the Financial Year Ended on 31<sup>st</sup> March, 2020

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Member's  
**M/S. COUNTRY CONDO'S LIMITED**  
CIN: L63040TG1987PLC007811  
8-2-703, Mahogany Complex, Ground Floor  
Amrutha Valley, Road No.12, Banjara Hills  
Hyderabad – 500034, Telangana State, India

We have been appointed by the board of directors of **M/s. Country Condo's Limited**, (Herein after called as "company") to conduct Secretarial Audit for the Financial Year of the Company ended on 31<sup>st</sup> March, 2020.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

**Management Responsibility for Secretarial Compliances**

The Company Management is responsible for preparation and maintenance of secretarial records and for devising proper system to ensure compliances with the provisions of applicable laws and regulations.

**Secretarial Auditor's Responsibility**

Our responsibility is to express an opinion on the secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's Management is adequate and appropriate for us to provide a basis of our opinion.

**Opinion**

Based on our verification electronically of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit in wake of the Country wide lock down due to outbreak of COVID 19, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined electronically the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020. Further we report that books, papers, minute books, forms and returns filed and other records maintained by M/s. Country Condo's Limited, ('the Company') for the financial year ended on 31.03.2020 according to the provisions of:

## **COUNTRY CONDO'S LIMITED**

- I) The Companies Act, 2013 (the Act) and the rules made there under.
- II) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- III) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during the Audit Period);**
- V) The following Regulations and Guidelines prescribed. under the Securities and Exchange board of India Act, 1992 (SEBI Act):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Share Base Employee Benefits) Regulations, 2014 **(Not Applicable to the Company during the Audit Period);**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 **(Not Applicable to the Company during the Audit Period);**
  - f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period);**
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period);** and
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI(LODR)];
- VI. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with following Acts, Laws and Regulations applicable specifically to the Company:
  - A. The Payment of Wages Act, 1936
  - B. The Minimum Wages Act, 1948
  - C. Employees' State Insurance Act, 1948
  - D. The Employees' Provident Fund And Misc. Provisions Act, 1952
  - E. The Payment of Bonus Act, 1965
  - F. The Payment of Gratuity Act, 1972
  - G. The Maternity Benefit Act, 1961
  - H. Income Tax Act, 1961
  - I. Goods & Service Tax Act, 2016
  - J. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
  - K. Real Estate (Regulation and Development) Act, 2016,
  - L. Karnataka Real Estate (Regulation and Development) Rules, 2017
  - M. Telangana State Real Estate (Regulation and Development) Rules, 2017





## **COUNTRY CONDO'S LIMITED**

We have electronically examined the registers, records and documents of the Company for the period commencing from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020 for compliances of provisions.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

### **We further report that**

There are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Based on our examination and verification of the registers, records and documents produced to us and according to the information and explanations given to us by the Company, We report that the Company has, in our opinion, complied with the provisions of the Act/ New Act and the Rules made thereunder and with the Memorandum and Articles of Association of the Company with regard to:

- (a) Maintenance of various statutory registers and documents and making necessary entries therein;
- (b) Closure of the Register of Members;
- (c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and Central Government;
- (d) Service of documents by the Company on its Members and the Registrar of Companies;
- (e) Notice of Meetings of the Board and Committees thereof;
- (f) Minutes of the meetings of the Board and Committees thereof including passing of resolutions by circulation;
- (g) Notice convening the 32<sup>nd</sup> Annual General Meeting held on 30<sup>th</sup> September, 2019;
- (h) Minutes of General Meetings;
- (i) Approvals of the Members, the Board of Directors, the Committees of Directors and government authorities, wherever required;
- (j) Constitution of the Board of Directors/Committee(s) of Directors and appointment, retirement and re-appointment of Directors including the Managing Director and Executive Directors;
- (k) Payment of remuneration to the Directors including the Managing Director and Executive Directors;
- (l) Appointment and remuneration of Statutory Auditors;
- (m) Transfer and transmission of the Company's shares, issue and allotment of shares and issue and delivery of certificate(s) of shares;
- (n) Creation, Modification and Satisfaction of Charges, if any, registered with the Registrar of Companies;
- (o) Form of balance sheet as prescribed under Part I of Schedule VI to the Act and requirements as to Profit & Loss Account as per Part II of the said Schedule;
- (p) Contracts, common seal, registered office and publication of name of the Company; and
- (q) Generally, all other applicable provisions of the Act /the New Act and the Rules made thereunder.

**We further report that:**

- (a) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings/debentures holdings and directorships in other companies and interest in other entities;
- (b) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Share Dealing Code and Code of Conduct of the Company;
- (c) The Company has obtained all necessary approvals under the various provisions of the Act/ New Act;
- (d) There was no prosecution initiated against or show cause notice received by the Company and no fines or penalties were imposed on the Company during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against the Company, its Directors and Officers.

**We further report that**

The Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed under that Act by the depositories with regard to Dematerialisation / Rematerialisation of securities and reconciliation of records of dematerialised securities with the securities issued by the Company.

Place: Hyderabad  
Date: 25-08-2020

**For and Behalf of**  
Gopal Dhanaji & Associates, Company Secretaries

Gopal Biradar Dhanaji  
Proprietor  
CP No. 8415  
Membership No. F7676  
UDIN No. F007676B000611664

**Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.**



## **COUNTRY CONDO'S LIMITED**

### **ANNEXURE A**

To,  
The Member's  
**M/S. COUNTRY CONDO'S LIMITED**  
CIN: L63040TG1987PLC007811  
8-2-703, Mahogany Complex, Ground Floor  
Amrutha Valley, Road No.12, Banjara Hills  
Hyderabad – 500034, Telangana State, India

Our report of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of the laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. Due to the outbreak of COVID 19 and a country wide lock down, we have conducted the audit and relied upon the information, documents, forms, returns, papers and other records maintained by Company and provided to us electronically.

Place: Hyderabad  
Date: 25-08-2020

**For and Behalf of**  
Gopal Dhanaji & Associates, Company Secretaries

Gopal Biradar Dhanaji  
Proprietor  
CP No. 8415  
Membership No. F7676  
UDIN No. F007676B000611664



## **COUNTRY CONDO'S LIMITED**

### **ANNEXURE – “A” TO DIRECTORS REPORT- CORPORATE GOVERNANCE (Pursuant to Regulation 34(3) & 53(f) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

#### **COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

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

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's wealth generating capacity. This is ensured by conducting business with a firm commitment to values, while at the same time, meeting stakeholders' expectations.

Strong leadership and effective corporate governance practices have been the Company's hallmark inheritance from the Company's culture and ethos. At Country Condo's Limited, it is imperative that business is conducted in a fair and transparent manner. The corporate governance framework ensures effective engagement with various stakeholders and helps the Company evolve with changing times. It oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising of regulators, employees, customers, vendors, investors and the society at large.

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

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

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

#### **THE GOVERNANCE STRUCTURE**

##### **1. BOARD OF DIRECTORS:**

###### **a) Board Structure**

The Company has an optimal combination of executive, non-executive and independent directors to maintain the independence of the Board from the management, which is in conformity with the requirement of Section 149(4) of the Companies Act, 2013 (the Act) and Regulation 17 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

As of March 31, 2020, the Board of Directors of the Company consisted of 10 (Ten) Directors drawn from diverse fields/professions, the Company has 10 Directors with a Non-Executive Chairman. Out of 10 Directors, 9 are Non-Executive of which 5 are Independent Directors. Non-Executive Directors bring independent views and judgment in the decision making process of the Board.



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None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 Companies across all the Companies in which he/She is a Director. The Directors have made necessary disclosures regarding Committee positions in other public companies as on 31<sup>st</sup> March, 2020.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies is given below. Other Directorships do not include Alternate Directorships, Section 8 Companies of the Companies Act, 2013 and of Companies incorporated outside India.

In accordance with Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memberships / Chairmanships of only the Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship Committee in all Public Limited Companies (including Country Condo's Limited) have been considered.

### **b) Board Meeting held and Directors' attendance record**

The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's operations and to consider, among other business, the quarterly performance and financial results of the Company. The maximum time gap between any two meetings of the Board is not more than 120 days. Further, the Company has adopted and adhered to the Secretarial Standards prescribed by the Institute of Company Secretaries of India and approved by the Central Government.

The agenda of Board meetings containing all necessary information / documents are made available to the Board / Committees in advance to enable the Board / Committees to discharge its responsibilities effectively and take informed decisions. Where it is not practicable to send the relevant information as a part of agenda papers, the same are tabled at the meeting or / and the presentations are made by the concerned managers to the Board, subject to compliance with legal requirements. Considerable time is spent by the Directors on discussions and deliberations at the Board / Committee Meetings. The Board periodically reviews the compliance reports of all laws applicable to the Company.

The information as specified in Schedule II to the Listing Regulations, is regularly made available to the Board, whenever applicable, for discussion and consideration. The details of Board meetings held during the Financial Year 2019-20 and Directors' attendance record are given in below Table 1 & 2.

4 Board Meetings were held during the year and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings were held are as follows:

30<sup>th</sup> May, 2019, 13<sup>th</sup> August, 2019, 13<sup>th</sup> November, 2019, and 13<sup>th</sup> February, 2020.

**Table 1: The details of meetings of the Board held during the financial year 2019-20 are as under:**

<b>Sr. No.</b>	<b>Date of which Board Meeting was held</b>	<b>Total strength of the Board on the date of Meeting</b>	<b>No. of Directors present at the Board Meeting</b>
1	30.05.2019	10	9
2	13.08.2019	10	9
3	13.11.2019	10	9
4	13.02.2020	10	9

The recommendations of the Committee on the proposals requiring Board approval were duly accepted by the Board.

**Table 2: Details about the Company's Directors and meetings attended by the Directors during the Financial Year 2019-20**

Name of the Director	Category	No. of Board Meeting held during the FY 2019-20	No. of Board Meetings attended during the FY 2019-20	No. of Other Directorships held in Companies incorporated in India as at 31.03.2020 (Including this Company)	No. of Memberships / Chairmanships in Board Committees as at 31.03.2020 (Including this Company)		Whether attended last AGM (held on 30.09.2019)
					Chairmanships	Memberships	
Y. Rajeev Reddy	Chairman & Director	4	3	10 Public Companies & 1 Private Company	Nil	Nil	Yes
Y. Siddharth Reddy	Vice-Chairman & Director	4	4	10 Public Companies & 1 Private Company	Nil	1	No
Y. Varun Reddy	Vice-Chairman & Director	4	4	10 Public Companies & 1 Private Company	Nil	Nil	Yes
D. Krishna Kumar Raju	Vice-Chairman & CEO	4	4	1 Public Company & 4 Private Companies	Nil	Nil	Yes
Y. Manjula Reddy	Non-Executive Director	4	3	9 Public Companies & 1 Private Company	Nil	Nil	No
G. Venkateshwar Rao	Independent Non-Executive	4	4	Nil	3	0	Yes
Sam Reddy Bal Reddy	Independent Non-Executive	4	4	Nil	0	3	Yes
A. VSB Laxmipathi Rao*	Independent Non-Executive	4	4	Nil	0	3	No
VK Ramudu*	Independent Non-Executive	4	3	Nil	0	0	No
K. Subramanyam Raju	Independent Non-Executive	4	3	Nil	0	0	Yes
Peethala Krupavaram@	Independent Non-Executive Additional Director	0	0	5 Public Companies & 6 Private Companies	3	0	No
Korlepara Sriram Chandra Murthy@	Independent Non-Executive Additional Director	0	0	4 Public Companies & 2 Private Companies	0	3	No

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- \* Sri A. VSB Laxmipathi Rao and Sri VK Ramudu, has resigned as an Independent Director on the Board of Directors on June 30, 2020 due to their unstable health conditions and unsuitable travelling conditions. Further Sri A. VSB Laxmipathi Rao has also resigned as Member of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee of the Company with effect from June 30, 2020.
- @ Sri Peethala Krupavaram and Sri Korlepara Sriram Chandra Murthy was appointed as an Additional Director on June 30, 2020. Sri Peethala Krupavaram is further appointed as a Chairman and Sri Korlepara Sriram Chandra Murthy is appointed as a Member of the Audit Committee, Nomination and Remuneration Committee & Stakeholders Relationship Committee with effect from June 30, 2020.

### c) Relationship between Directors inter-se:

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

Except as disclosed above, no Director of the Company is related to any other Director on the Board.

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company

As required under Regulation 26(1) of Listing Regulations and confirmed by directors, none of the Directors are: (i) member of more than 10 (ten) committees; and (ii) chairman of more than 5 (five) committees.

A separate meeting of Independent Directors was held on February 10, 2020 to, inter alia, review the performance of Non Independent Directors, Chairman of the Company and the Board as a whole.

**Table 3: Number of Equity Shares held by each of the Directors of the Company:**

Sl. No	Name	Equity Shares held as on 31-03-2020	
		No. of shares	% of total shares of the company
1	Shri Y. Rajeev Reddy	39855121	51.36
2	Shri Y. Siddharth Reddy	988920	1.27
3	Shri Y. Varun Reddy	1087681	1.40
4	Shri D. Krishna Kumar Raju	3410246	4.39
5	Smt Y. Manjula Reddy	8700	0.01
6	Shri Vanarasi Kodanda Ramudu	0	0.00
7	Shri Samreddy Bal Reddy	0	0.00
8	Shri Godha Venkateshwar Rao	0	0.00
9	Shri Athmuri Vsb Laxmipathi Rao	0	0.00
10	Shri. K. Subramanyam Raju	0	0.00
11	Shri Peethala Krupavaram	0	0.00
12	Shri Korlepara Sriram Chandra Murthy	0	0.00

**d) Certificate from Company Secretary in practice:**

A certificate from M/s. Gopal Dhanaji & Associates, Company Secretaries represented by Mr. Gopal Biradar Dhanaji (Membership No. FCS 7676), Practicing Company Secretary, stating that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/ Ministry of Corporate Affairs or any other statutory authority is annexed to this report.

**e) Independent Directors:**

In the 32<sup>nd</sup> Annual General Meeting held on September 30, 2019, the Members of the Company has Approved the Re-Appointment of all the 5 (Five) Independent Directors for a further period of 5 Years commencing from 30.09.2020 to 29.09.2024 whose office is not liable to retire by rotation. However, 2 (Two) of the Independent Directors namely Sri A. VSB Laxmipathi Rao and Sri VK Ramudu, has resigned as an Independent Director on the Board of Directors on June 30, 2020 due to their unstable health conditions and unsuitable travelling conditions.

In line with the Company's succession plan incorporating the phased retirement of existing directors combined with the induction of new independent directors, the Board of Director of the Company has, on the recommendation of the Nomination and Remuneration Committee, at its Meeting held on June 30, 2020, approved the appointment of Mr. Peethala Krupavaram and Mr. Korlepara Sriram Chandra Murthy, as an Additional Directors in the category of Independent Director, subject to the approval of Members.

The Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1) (b) of the Listing Regulations read with Section 149(6) of the Companies, Act 2013. Basis the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

The Company has issued a formal letter of appointment to the Independent Directors in the manner as provided in the Act and Listing Regulations. The terms and conditions of appointment have also been displayed on the website of the Company at <https://www.countrycondos.co.in>

None of the existing Independent Directors serve as "Independent Directors" in more than seven listed companies in line with the requirements of the Listing Regulations. In terms of Regulation 25(8) of Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

**f) Familiarization Program for Independent Directors:**

The Company has conducted the familiarisation program for Independent Directors during the year. The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to acclimatize them with the processes, businesses and functionaries of the Company and to assist them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the Familiarisation Program has been disclosed on the website of the Company.

**g) Information available to the Board of Directors:**

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

- Annual operating plans and budgets, capital budgets and updates.
- Quarterly results of our operating divisions or business segments.
- Minutes of meetings of audit, nomination & remuneration and investor grievance committees as well as abstracts of circular resolutions passed.
- General notices of interest received from directors.





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

### **h. Code of Conduct:**

In pursuance to Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a Code of Conduct for all Board Members and Senior Management personnel of the Company. The Code of Conduct has been made available on our website, [www.countrycondos.co.in](http://www.countrycondos.co.in). All the members of the Board and Senior Management Personnel have affirmed their compliance with the Code of Conduct. A declaration regarding the Code of Conduct's Compliances has been given at the end of the Corporate Governance Report, signed by the Vice-Chairman & CEO.

## **2. COMMITTEES OF THE BOARD:**

### **A. AUDIT COMMITTEE:**

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

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

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

### **a) Composition of the Audit Committee:**

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

The composition of the Audit Committee of the Company is in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the Listing Regulations. The Company's Audit Committee comprises 3 (Three) Independent Directors.

<b>Name of the Member</b>	<b>Category</b>
1. Sri G. Venkateshwar Rao, Chairman	} <b>Independent Directors</b>
2. Sri S. Bal Reddy, Member	
3. Sri A. VSB Laxmipathi Rao, Member	

Mr. J. Laxmikanth, Company Secretary has acted as the Secretary to the Committee.

**b) Attendance of Members at the Audit Committee Meetings:**

The Committee met 4 (four) times during the Financial Year ended March 31, 2020, i.e. on 30<sup>th</sup> May, 2019, 13<sup>th</sup> August, 2019, 13<sup>th</sup> November, 2019, and 13<sup>th</sup> February, 2020. Following are the attendance of each member in the Audit Committee Meetings:

Name of the Director	No. of Meetings	
	Held	Attended
Sri G. Venkateshwar Rao	4	4
Sri S. Bal Reddy	4	4
Sri A. VSB Laxmipathi Rao	4	4

All the members of the Audit Committee are eminent professionals and draw upon their experience and expertise across a wide spectrum of functional areas such as finance, and corporate strategy. The Chairman of the Audit Committee was present at the 32<sup>nd</sup> Annual General Meeting of the Company held on September 30, 2019 to answer Members' queries. Minutes of each of the meeting of the Audit Committee are placed before the Board in its meetings. The Audit Committee invites the executives of the Company viz., Managing Director & Chief Executive Officer, Executive Directors, Head of Finance, as it considers appropriate and the representatives of the Statutory Auditors and Internal Auditors at its meetings.

Mr. Laxmikanth Jakhotia, Company Secretary & Compliance Officer of the Company acts as the Secretary to the Audit Committee. He was also appointed as the Compliance Officer by the Board to ensure compliance and effective implementation of the Insider Trading Code.

**c) Powers of the Audit Committee:**

The Board of Directors of the company has delegated the following powers to the Audit Committee, in pursuance with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

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

**d) Role of Audit Committee:**

In current scenario, the Audit Committee plays a vital role for ensuring proper compliance and keeping the accurate financial data towards the Shareholders of the Company, for preventing the Company from scams. Therefore, to ensure the true and fair view of the Financial Information of the Company, the Audit Committee has properly complied its role as mentioned in Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**i) Performance of Audit Committee**

The Audit Committee of the Company performs the following functions:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing with the Management the annual financial statements and Auditors report before submission to the Board, focusing primarily on:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
  - Any changes in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on exercise of judgment by Management

- Qualifications in the draft audit report, if any
- Significant adjustments made in the financial statements arising out of audit findings.
- The going concern assumption
- Compliance with Accounting Standards.
- Compliance with the requirements of the stock exchanges, if applicable, and legal requirements concerning financial statements.
- Any related party transactions as per Indian Accounting Standard 24
- Reviewing the Company's financial and risk management policies
- Scrutiny of inter-corporate loans and investments.

**ii) Internal Control**

- Reviewing with the Management, External and Internal Auditors, the adequacy of internal control systems.
- Evaluation of internal financial controls.

**iii) External and Internal Audit**

- Reviewing of the Internal Audit Report and action taken thereon.
- Reviewing the adequacy of internal audit function, including the Audit Charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor.
- Discussing with the Internal Auditors any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Recommending the appointment / re-appointment and removal/ replacement of External Auditors and approve of audit fee and payment for any other services.
- Discussing with External Auditors before the audit commences, the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;

**iv) Related Party Transactions**

- A statement of all transactions with related parties or any subsequent modification of transactions of the Company with related parties including their basis shall be placed before the Audit Committee for formal approval or omnibus approval.
- Lay down criteria for granting omnibus approval to related party transactions.
- Satisfy itself of the need for omnibus approval of related party transaction and that the approval is in the interest of the Company.
- Grant omnibus approval for related party transactions not exceeding ₹5 Lakhs per transaction.
- Review, on quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.
- Recommend the revision in Policy on material related party transactions and also on dealing with Related Party Transactions, to align it with the extant applicable provisions.

**v) Compliance**

- Reviewing the effectiveness of the system for monitoring compliance with laws and regulations and the results of Management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Reviewing the findings of any examinations by regulatory agencies, and any auditor observations.
- Reviewing the process for communicating the Code of Conduct to Company personnel, and for monitoring compliance therewith.
- Obtaining regular updates from the Management regarding compliance matters.
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends), and creditors;

**vi) Reporting Responsibilities**

- The Audit Committee will update the Board, periodically.
- The Chairman of the Audit Committee shall be present at the Annual General Meetings to answer shareholder queries and clarification on matters relating to audit.
- The Annual Report of the Company shall disclose the composition of the Audit Committee, brief description of the scope of the Audit Committee Charter, names of members, Chairperson, meetings and attendance.
- The recommendations of the Audit Committee on any matter relating to financial management including the audit report, shall be binding on the Board.
- If the Board does not accept the recommendations of the Audit Committee, it shall record the reasons thereof and communicate such reasons to the shareholders.

**vii) Other Responsibilities**

- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Performing other activities related to this Charter as requested by the Board of Directors.
- Carry out all such additional functions as may be required under the Listing Regulations or other regulatory requirements applicable from time to time.
- Reviewing the functioning and compliances as regards the Company's Whistle Blower Policy.
- Instituting and overseeing special investigations as needed.
- Confirming annually that all responsibilities outlined in this Charter have been carried out.
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;

**e) Review of information by Audit Committee:**

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

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

**B. NOMINATION AND REMUNERATION COMMITTEE:**

The constitution, scope and powers of the Nomination & Remuneration Committee of the Board of Directors are in accordance with the provisions of Section 178 of the Companies Act and Regulation 19 of the Listing Regulations. The Nomination & Remuneration Committee looks at all matters pertaining to the appointment and remuneration of the Managing Director / Whole-time Directors / Chief Executive Officer, the Executive Directors, Key Managerial Personnel of the Company.

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

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

The Nomination & Remuneration Committee consists of 3 (Three) Independent Directors. During the Financial Year ended March 31, 2020, the Committee met 1 (once) time, i.e. on May 30, 2019. All the Members have attended the Nomination & Remuneration Committee Meeting held on May 30, 2019. The composition details of the Nomination & Remuneration Committee are given in Table below:

Name of the Member	Category	Designation
Sri G. Venkateshwar Rao	Independent, Non-Executive	Chairman
Sri S. Bal Reddy	Independent, Non-Executive	Member
Sri A. VSB Laxmipathi Rao	Independent, Non-Executive	Member

Mr. Laxmikanth Jakhotia, Company Secretary & Compliance Officer of the Company acts as the Secretary of the Nomination & Remuneration Committee.

**b) Role of the Nomination and Remuneration Committee:**

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

- (i) Review of proposals for appointment of Directors and Senior Management (employees in Core Management Team - one level below Managing/Executive Directors) and their recommendation to the Board;
- (ii) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director;
- (iii) Formulation of a performance evaluation methodology for evaluation of the Board, its committees and individual directors and reviewing the process from time to time;
- (iv) Periodically overseeing evaluation of the Board, its committees and individual directors and recommending desirable changes in the Board size, composition, committee structure and processes, and other aspects of the Board's functioning;
- (v) Recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and senior management;
- (vi) Recommend to the Board on the appointment and the terms & conditions of appointment of Managing Director(s) and the Whole-time Director(s);
- (vii) Reviewing and recommending the remuneration structure of Managing Director(s) and the Whole-time Director(s), to the Board;
- (viii) To approve and recommend the Employee Stock Option Scheme (if any) for the approval of the shareholders;
- (ix) To supervise the implementation of Employee Stock Option Scheme, (if any).
- (x) Recommend to the Board of Directors, the remuneration payable to the Senior Management as defined under the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 or any other law for the time being in force.

Please refer to the Director's report for Performance Evaluation Criteria for the Independent Directors.

**REMUNERATION OF DIRECTORS:**

Details of remuneration to the Directors for the year are given in table below:

Name of the Director	Relationship with other Directors	Business relationship with other Directors	Loans and advances from the Company	Remuneration paid during the Financial Year			
				Sitting Fee	Salary	Commission	Total
Sri D. Krishna Kumar Raju	None	Executive Director Vice-Chairman and CEO	Nil	NA	36,00,000	0	36,00,000

Apart from the above mentioned Director, None of the Other Non-Executive and Independent Directors has drawn any Remuneration or Sitting Fees during the Financial Year 2019-2020.

**Performance evaluation criteria:**

One of the key functions of Nomination & Remuneration Committee is to evaluate the performance of executive/ Non-Executive Independent Directors. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement. Each Board member is requested to



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evaluate the effectiveness of the Board dynamics and relationships, information flow, decision-making of the directors, relationship with stakeholders, Company performance and strategy, and the effectiveness of the whole Board and its various committees. Feedback on each director is encouraged to be provided as part of the survey.

The Nomination and Remuneration Policy of the Company can be accessed at the Company's website at the link [www.countrycondos.co.in](http://www.countrycondos.co.in)

### **Notes:**

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

### **C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

#### **i) Brief Description of the terms of reference:**

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

#### **ii) The Stakeholders' Relationship Committee for the year was constituted of the following members:**

The Stakeholders' Relationship Committee consists of the following Independent & Non Executive Directors given in the table below:

<b>Name of the Director</b>	<b>Category</b>	<b>Designation</b>
Sri G. Venkateshwar Rao	Independent, Non-Executive	Chairman
Sri S. Bal Reddy	Independent, Non-Executive	Member
Sri A. VSB Laxmipathi Rao	Independent, Non-Executive	Member

Mr. Laxmikanth Jakhota, Company Secretary & Compliance Officer of the Company acts as the Secretary of the Stakeholders Relationship Committee.

#### **iii) Role of the Stakeholders' Relationship Committee:**

The Stakeholders' Relationship Committee looks into Redressal of the Grievances of Security holders viz., shareholders' and fixed deposit holders including investors' complaints relating to transfer of shares, issue of duplicate/consolidated share certificates, review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of dividends declared (if any) and all other securities holders related matters. It is also responsible for reviewing the process and mechanism of Redressal of Investor Complaints and suggesting measures of improving the existing system of Redressal of Investor Grievances. This Committee is also responsible for approval of transfer and transmission of securities, including power to delegate the same to the Registrar and Transfer Agents.

The Company did not received any Investor Grievances during the year 2019 – 2020. Hence, No complaints were outstanding as on 31<sup>st</sup> March, 2020.

During the year under review the Company did not receive any complaints through SCORES.



## **COUNTRY CONDO'S LIMITED**

The Complaints had been attended to within seven days from the date of receipt of the complaint, as communicated by our Registers and Share Transfer Agents, M/s. Aarathi Consultants Private Limited.

There are no pending share transfers as on March 31, 2020.

### **Name and Designation of Compliance Officer:**

Mr. Laxmikanth Jakhotia, Company Secretary is the Compliance Officer of the Company.

### **3. DETAILS OF GENERAL BODY MEETINGS:**

#### **Location and time of the last 3 Years AGM's (Annual General Meetings):**

<b>GM &amp; YEAR</b>	<b>VENUE</b>	<b>DATE &amp; TIME</b>	<b>SPECIAL RESOLUTIONS PASSED</b>
32 <sup>nd</sup> AGM 2018-2019	CROWN VILLA GARDENS, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad – 500 003	30-09-2019 11.30 A.M	1. To Re-appoint Sri Y. Rajeev Reddy (DIN: 00115430) as Non-Executive Chairman of the Company; 2. To Re-Appoint Sri G. Venkateshwar Rao (DIN: 02712599) as an Independent Director of the Company; 3. To Re-Appoint Sri S. Bal Reddy (DIN: 02712623) as an Independent Director of the Company; 4. To Re-Appoint Sri A. VSB Laxmipathi Rao (DIN: 02733596) as an Independent Director of the Company; 5. To Re-Appoint Sri V K Ramudu (DIN: 02712577) as an Independent Director of the Company;
31 <sup>st</sup> AGM 2017-2018	CROWN VILLA GARDENS, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad – 500 003	29-09-2018 11.30 A.M	No Special Resolutions were passed
30 <sup>th</sup> AGM 2016-2017	CROWN VILLA GARDENS, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad – 500 003	28-09-2017 11.30 A.M	No Special Resolutions were passed

**No Resolutions were passed through Postal Ballot during the financial year 2019-20**

### **4. DISCLOSURES:**

#### **A. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTION**

All transactions entered into during the financial year 2019-20 with Related Parties as defined under the Act and the Listing Regulations were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant related party transactions, i.e. transactions of the Company of material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Attention of Members is drawn to the disclosures of transactions with related parties set out in Notes to Accounts – Note No. 19 forming part of the Financial Statements.



## **COUNTRY CONDO'S LIMITED**

Pursuant to the Regulation 23 of the Listing Regulations, the Company has adopted a Policy on materiality of the Related Party Transactions and on dealing with Related Party Transactions, which has been suitably amended during the year in line with the recent amendments in the Companies Act, 2013.

### **B. DETAILS OF NON-COMPLIANCE**

There has not been any non-compliance by the Company and no penalties or strictures were imposed on the Company by BSE Limited, the National Stock Exchange of India Limited, the Securities and Exchange Board of India or any other statutory authority, in relation to any matter related to capital markets, during last three years.

### **C. WHISTLE BLOWER POLICY – VIGIL MECHANISM**

The Company's Whistle Blower Policy is in line with the provisions of the sub section 9 and 10 of Section 177 of the Companies Act, 2013 and as per Regulation 22 of the Listing Regulations. This Policy establishes a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The said mechanism also provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. We confirm that during the financial year 2019-20, no employee of the Company was denied access to the Audit Committee.

D. The Company has submitted the compliance report on corporate governance to the stock exchanges where the company's shares are listed with in the stipulated time.

E. Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this clause.

Your Company complied with all the mandatory requirements of the Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of these compliances are given in the relevant sections of this Report.

### **F. CEO AND CFO CERTIFICATE**

Sri D. Krishna Kumar Raju, Vice Chairman & CEO of the Company and Sri U. Gandhi, Chief Financial Officer have given a Certificate to the Board of Directors as contemplated in Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is disclosed at the end of this Report.

### **G. POLICY TO PREVENT SEXUAL HARASSMENT AT THE WORK-PLACE**

The Company is committed to creating and maintaining an atmosphere in which employees can work together, without fear of sexual harassment, exploitation or intimidation. Every employee is made aware that the company is strongly opposed to sexual harassment and that such behavior is prohibited both by law and by the Company. Any Employee can directly report regarding sexual harassment to Mr. D. Krishna Kumar Raju, Vice-Chairman & CEO of the Company and Company is following the Provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. During the financial year 2019-20, No complaints were received by the Company. There were no complaints pending as on the end of the financial year 2019-20. No cases of child labour, forced labour, involuntary labour and discriminatory employment were reported during the period.

### **5. NOTES ON DIRECTORS APPOINTMENT/RE-APPOINTMENT:**

Relevant details are given as additional information forming part of the notice of the Annual General Meeting/Director's Report.



**6. MEANS OF COMMUNICATIONS:**

All vital information relating to the Company and its performance, including annual reports, quarterly results, shareholding pattern, report on Corporate Governance and official press releases are posted on the website of the Company [www.countrycondos.co.in](http://www.countrycondos.co.in) and the copies of the same are sent to the BSE Limited and the National Stock Exchange of India Limited. The quarterly and annual results of the Company's financial performance are published in leading English dailies like the Business Standard and in Telugu leading dailies like the Nava Telangana. Further, the annual reports containing audited financial statements of the Company together with Directors' Report, Auditors' Report and other important information are circulated to the members and others entitled thereto.

However, this year in view of the outbreak of COVID-19 pandemic and owing to the difficulties involved in dispatching of physical copies of Annual Report, the Ministry of Corporate Affairs ("MCA") has vide its circular no 20/2020 dated 5 May 2020 directed the Companies to send the Annual Report only by e-mail to all the Members of the Company. Therefore, the Annual Report for FY 2019-20 and Notice of Thirty-Third Annual General Meeting of the Company is being sent to the Members at their registered e-mail addresses in accordance with said circular

**7. MANAGEMENT DISCUSSIONS AND ANALYSIS:**

The Management Discussion and Analysis (M D & A) is being forms part of the Directors Report.

**8. STATEMENT PURSUANT TO SCHEDULE V OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

The Company's Equity Shares are currently listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and the Company has paid the Annual Listing Fees of all the Stock Exchanges where its Shares are listed for the Financial Year 2020-2021.

**9. GENERAL SHARE HOLDER INFORMATION:**

<b>(I) Annual General Meeting</b>	
Day & Date	Monday, September 28, 2020
Time	02.00 P.M
Venue	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

<b>(II) Financial Calendar</b>	The Company's accounting year comprises 12 months period from April 1 to March 31
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<b>(III) Date of Book Closure</b>	September 20, 2020 to September 28, 2020 (both days inclusive)
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<b>(IV) Dividend Payment date</b>	NIL
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<b>(V) Listing on Stock Exchanges</b>	<ol style="list-style-type: none"> <li>1. BSE Limited (BSE)</li> <li>2. National Stock Exchange of India Limited (NSE)</li> </ol>
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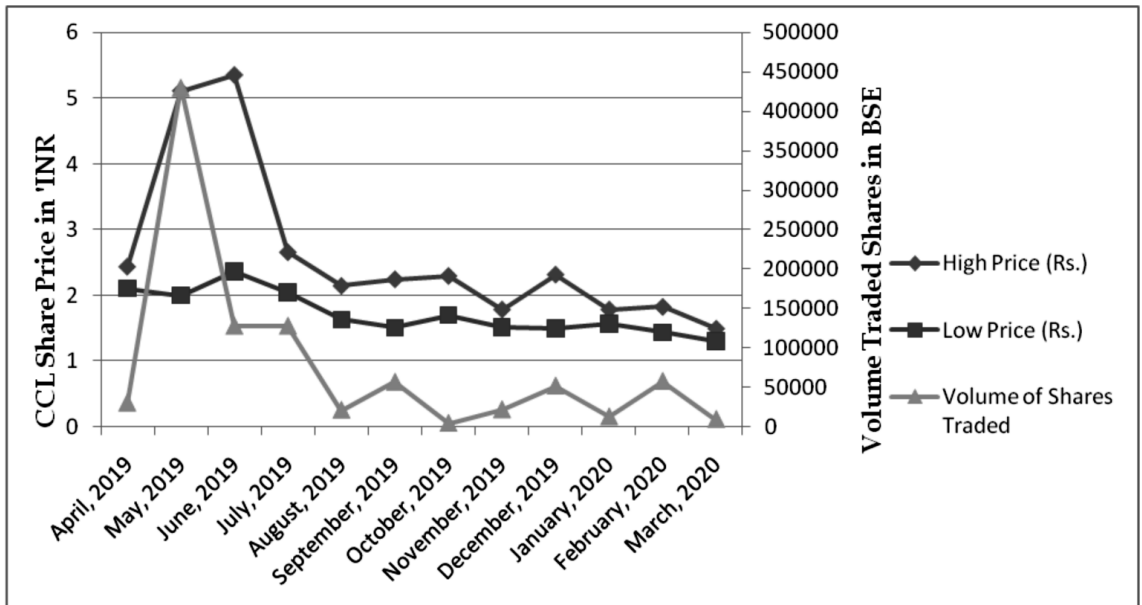
<b>(VI) Stock Details</b>	<b>Scrip Code</b>	<b>Scrip ID</b>
BSE Ltd	531624	COUNCODOS
National Stock Exchange of India Limited	COUNCODOS	
Dematerialization of Securities	ISIN: INE 695 B01025	
CIN of the Company	L63040TG1987PLC007811	

**COUNTRY CONDO'S LIMITED**

**(VII) MARKET PRICE DATE HIGH AND LOW DURING EACH MONTH IN THE LAST FINANCIAL YEAR:**

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

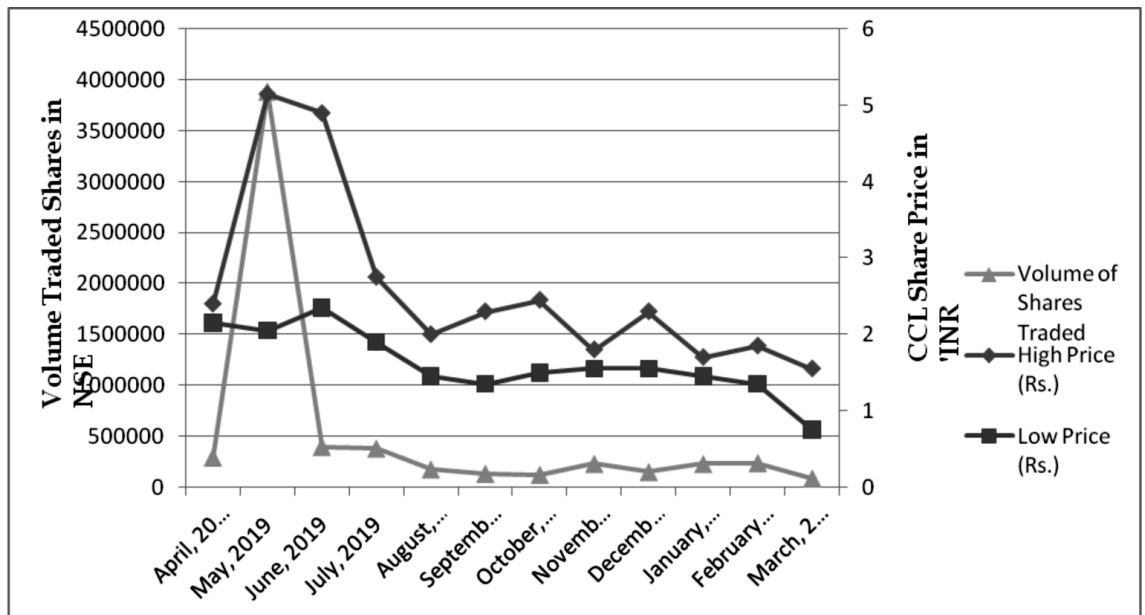
Month	BSE Limited		
	High Price (₹)	Low Price (₹)	Volumes Traded (No. of Equity Shares)
April, 2019	2.44	2.11	30548
May, 2019	5.11	2.00	430719
June, 2019	5.35	2.37	128201
July, 2019	2.66	2.05	128209
August, 2019	2.15	1.63	21443
September, 2019	2.25	1.51	56936
October, 2019	2.30	1.70	4725
November, 2019	1.79	1.52	22033
December, 2019	2.32	1.50	52033
January, 2020	1.79	1.57	13037
February, 2020	1.83	1.44	58031
March, 2020	1.50	1.30	9775



## COUNTRY CONDO'S LIMITED

b) Company's shares are being traded on NSE the high and low prices during each month are given below:

Month	National Stock Exchange of India Limited		
	High Price (₹)	Low Price (₹)	Volume of Shares Traded
April, 2019	2.40	2.15	286947
May, 2019	5.15	2.05	3883747
June, 2019	4.90	2.35	393000
July, 2019	2.75	1.90	375000
August, 2019	2.00	1.45	169000
September, 2019	2.30	1.35	128000
October, 2019	2.45	1.50	117304
November, 2019	1.80	1.55	223872
December, 2019	2.30	1.55	144346
January, 2020	1.70	1.45	223416
February, 2020	1.85	1.35	233428
March, 2020	1.55	0.75	80213

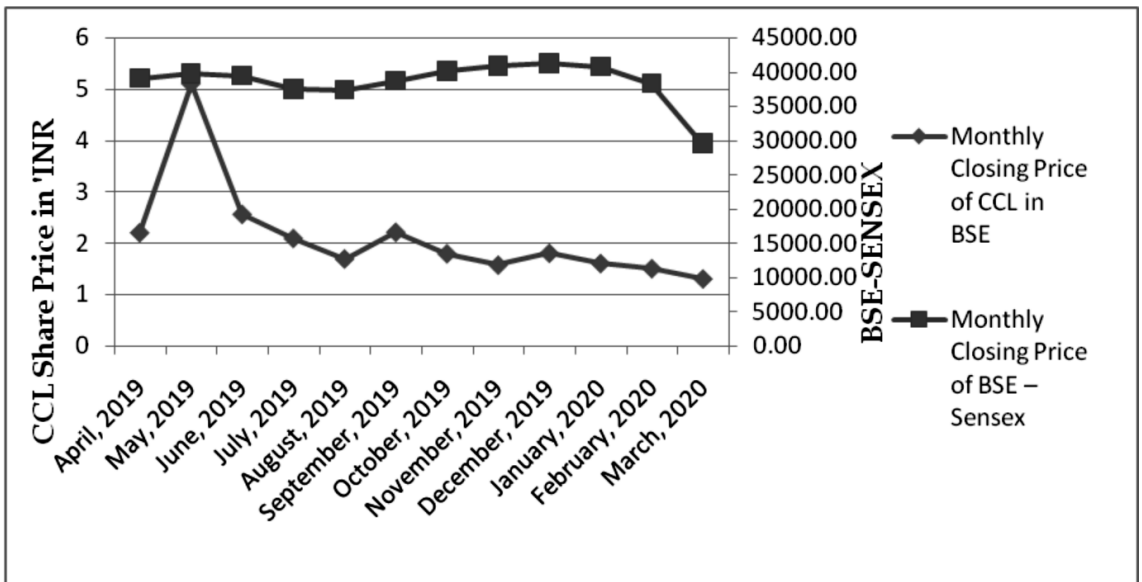




## COUNTRY CONDO'S LIMITED

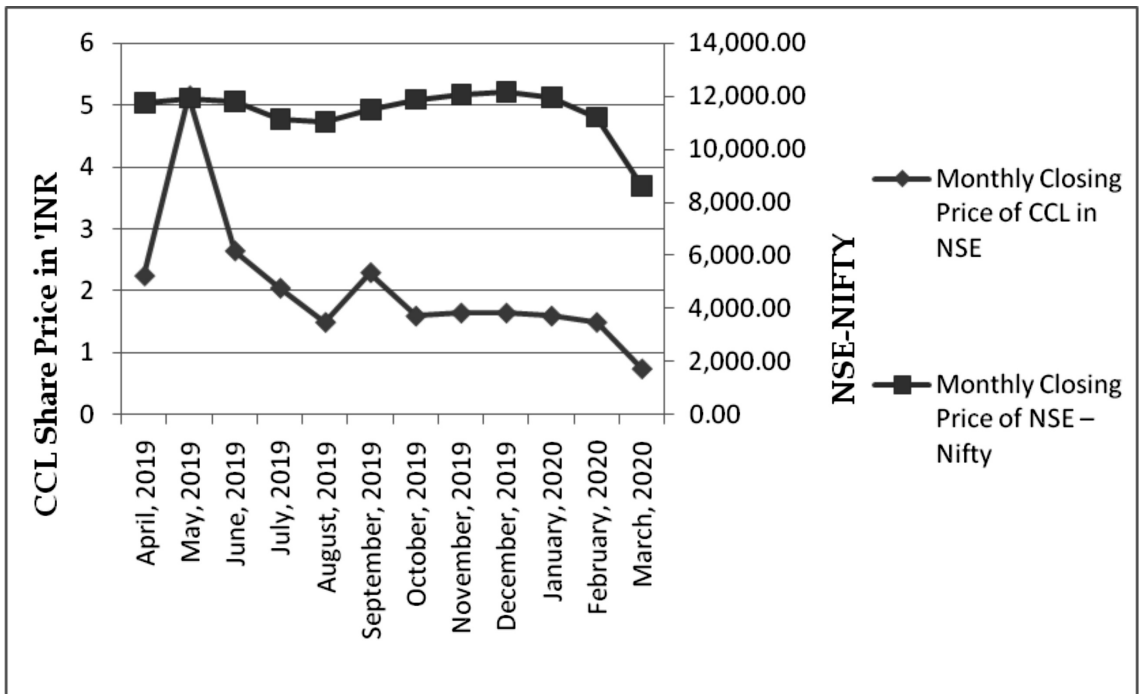
### c) Stock Performance in comparison to broad based indices such as BSE Senses:

Month	Monthly Closing Price of CCL in BSE	Monthly Closing Price of BSE – Sensex
April, 2019	2.20	39031.55
May, 2019	5.11	39714.20
June, 2019	2.56	39394.64
July, 2019	2.09	37481.12
August, 2019	1.69	37332.79
September, 2019	2.21	38667.33
October, 2019	1.79	40129.05
November, 2019	1.57	40793.81
December, 2019	1.80	41253.74
January, 2020	1.60	40723.49
February, 2020	1.50	38297.29
March, 2020	1.30	29468.49



d) Stock Performance in comparison to broad based indices such as NSE Nifty:

Month	Monthly Closing Price of CCL in NSE	Monthly Closing Price of NSE - Nifty
April, 2019	2.25	11,748.15
May, 2019	5.15	11,922.80
June, 2019	2.65	11,788.85
July, 2019	2.05	11,118.00
August, 2019	1.50	11,023.25
September, 2019	2.30	11,474.45
October, 2019	1.60	11,877.45
November, 2019	1.65	12,056.05
December, 2019	1.65	12,168.45
January, 2020	1.60	11,962.10
February, 2020	1.50	11,201.75
March, 2020	0.75	8,597.75





## **COUNTRY CONDO'S LIMITED**

The Equity Shares of the Company have not been suspended from trading by the SEBI and/or Stock Exchanges. The Company does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended March 31, 2020.

**(VIII) Stock Performance in Comparison to Broad-based indices such as BSE Sensex, CRISIL Index, BZX 200, Nifty etc...**

The Share Price of the Company has been moving with the trend of the indices

**(IX) Registrar & Transfer Agent:**

**M/s. Aarathi Consultants Private Limited**  
1-2-285, Domalguda, Hyderabad – 500 029  
Ph: 040-2763 8111; 040-2763 4445  
Fax: 040-2763 2184  
Website: [www.aarathiconsultants.com](http://www.aarathiconsultants.com)  
Email: [info@aarathiconsultants.com](mailto:info@aarathiconsultants.com)

**(X) Share Transfer System**

**Documents will be accepted at:**  
1-2-285, Domalguda, Hyderabad – 500 029  
Ph: 040-2763 8111; 040-2763 4445  
Fax: 040-2763 2184  
Website: [www.aarathiconsultants.com](http://www.aarathiconsultants.com)  
Email: [info@aarathiconsultants.com](mailto:info@aarathiconsultants.com)

**M/s. Aarathi Consultants Private Limited**

Pursuant to the guidelines issued by the Securities and Exchange Board of India, vide circular number D&CC/FITTC/CIR-15/2002 dated 27.12.2002 regarding "Appointment of Common Agency for Share Registry Work", the Board of Directors have appointed **M/s. Aarathi Consultants Private Limited**, as Share Transfer Agents.

Pursuant to the Securities and Exchange Board of India, vide circular number MRD/DoP/Cir-05/2009 dated 20.05.2009, it is mandatory to furnish PAN particulars for registration of physical share transfer requests. Therefore investors are requested to send the PAN particulars along with the share transfer deeds for effecting the Physical Share Transfer.

Any transferee not intending to dematerialize his/her shares need not exercise the option and the R & T Agent shall dispatch the Share Certificate after 15 days from the date of the option letter.

As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form w.e.f. April 01, 2019, except in case of request received for transmission or transposition of securities. However, Members are not barred from holding shares in physical form. Members who is desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialized.

All requests for Dematerialization of Shares are processed and the confirmation is given to the respective depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), within 15 days of receipt.

## COUNTRY CONDO'S LIMITED

### (XI) Distribution of Shareholding as on 31-03-2020

No. of Shares Slab	No. of Shareholders		Total No. of Shares & Amount		
	Total No. of Holders	Holders %	Total No. of Shares	Total No. of Amount	Amount %
1 - 5000	8757	89.38	9221715	9221715	11.88
5001 - 10000	601	6.13	4336662	4336662	5.59
10001 - 20000	248	2.53	3525546	3525546	4.54
20001 - 30000	74	0.76	1917482	1917482	2.47
30001 - 40000	21	0.21	731525	731525	0.94
40001 - 50000	23	0.23	1052989	1052989	1.36
50001 - 100000	46	0.47	3343285	3343285	4.31
100001 & Above	28	0.29	53468096	53468096	68.90
<b>Total:</b>	<b>9798</b>	<b>100</b>	<b>77597300</b>	<b>77597300</b>	<b>100.00</b>

### (XII) According to the categories of Shareholding as on 31-03-2020

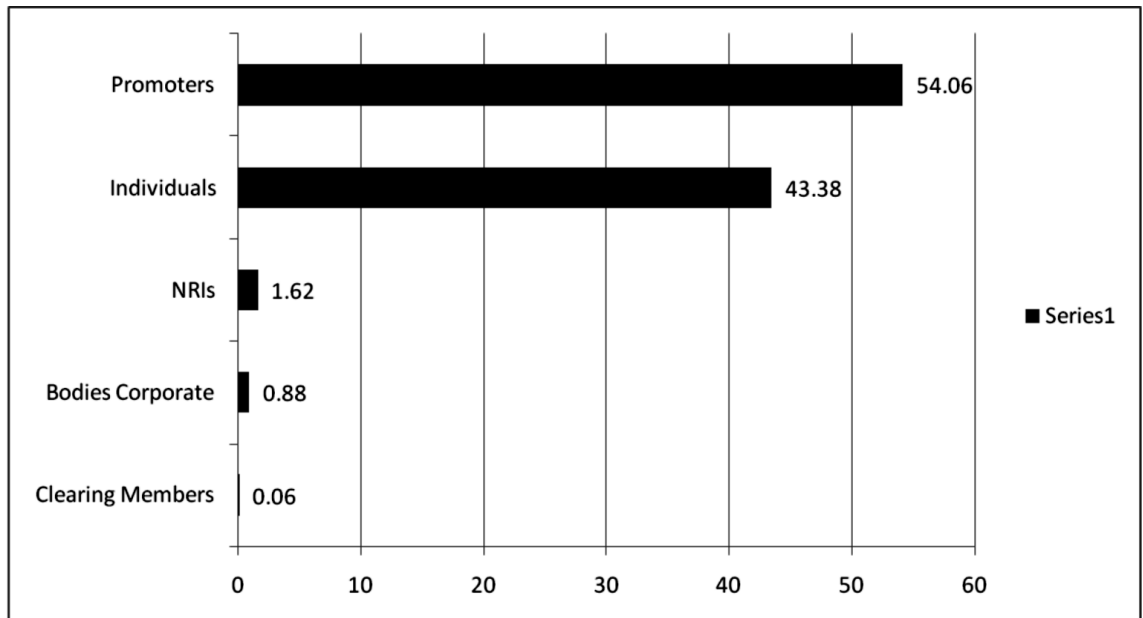
	CATEGORY	No. of Shares held	% of shareholding
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group:</b>		
(1)	Indian		
a.	Individuals/Hindu Undivided Family	41946222	54.06
b.	Central Government/State Government	----	----
c.	Bodies Corporate	----	----
d.	Financial Institutions / Banks	----	----
	Others:	----	----
e.	Mutual funds	----	----
f.	Trusts	----	----
	<b>Sub-Total (A)(1)</b>	<b>41946222</b>	<b>54.06</b>
(2)	Foreign		
a.	Individuals (Non-Residents Individuals / Foreign Individuals)	----	----
b.	Bodies Corporate	----	----
c.	Institutions	----	----
	Others:	----	----
d.	Overseas Corporate Bodies	----	----
	<b>Sub-Total (A)(2)</b>	<b>000</b>	<b>000</b>
	<b>Total Shareholding of Promoter and Promoter Group A = (A)(1)+ (A)(2)</b>	<b>41946222</b>	<b>54.06</b>
<b>(B)</b>	<b>Public Shareholding</b>		
(1)	Institutions		
a.	Mutual funds / UTI	----	----
b.	Financial Institutions / Banks	----	----
c.	Central Government/State Government	----	----
d.	Venture Capital Funds	----	----
e.	Insurance Companies	----	----
f.	Foreign Institutional Investors	----	----



## COUNTRY CONDO'S LIMITED

	CATEGORY	No. of Shares held	% of shareholding
g.	Foreign Venture Capital Investors	----	----
	Others:		
h.	Foreign Companies	----	----
	<b>Sub-Total (B)(1)</b>	<b>000</b>	<b>000</b>
(2)	Non-Institutions		
a.	Bodies Corporate	684805	0.88
b.	Individuals		
	i). Individual Shareholders holding Nominal Share Capital upto Rs. 2 Lakh	23622500	30.44
	ii). Individual Shareholders holding Nominal Share Capital in excess of Rs. 2 Lakh	10038180	12.94
	Others:		
c.	Non-Residents Individuals	1258188	1.62
d.	Overseas Corporate Bodies	----	----
e.	Trusts	----	----
f.	Employees	----	----
g.	Clearing Members	47405	0.06
	<b>Sub-Total (B)(2)</b>	<b>35651078</b>	<b>45.94</b>
	<b>Total Public Shareholding B = (B)(1) + (B)(2)</b>	<b>35651078</b>	<b>45.94</b>
	<b>TOTAL (A+B)</b>	<b>77597300</b>	<b>100.00</b>
(C)	Shares held by Custodians and against Depositories Receipts have been issued	----	----
	<b>GRAND TOTAL (A+B+C)</b>	<b>77597300</b>	<b>100.00</b>

Graph representing the Shareholding Pattern as on March 31, 2020:





## COUNTRY CONDO'S LIMITED

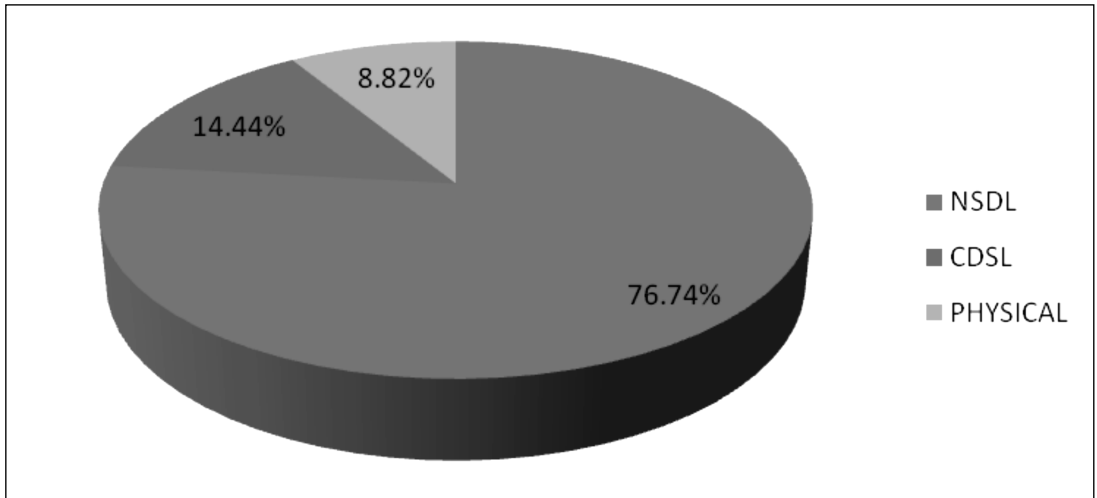
### (XIII) Dematerialization of shares & liquidity

The trading in Company's shares is permitted only on dematerialized form. In order to enable the shareholders to hold their shares in electronic form and to facilitate scrip-less trading, the Company has enlisted its shares with both the Depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form w.e.f. April 01, 2019, except in case of request received for transmission or transposition of securities. However, Members are not barred from holding shares in physical form. Members who is desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialized.

### (XIV) Share Dematerialization Records:

**70753296** Shares representing **91.18%** of the Company's total equity share capital were held in dematerialized form of which **76.74%** was held in National Securities Depository Limited (NSDL) and **14.44%** was held in Central Depository Services (India) Limited (CDSL) and only **6844004** Shares representing **8.82%** of the Company's total equity share capital were held in Physical form as on 31<sup>st</sup> March, 2020.



The Company's shares are listed and eligible to trade on the above-mentioned Stock Exchanges in electronic form.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is **ISIN: INE 695 B01025**

### (XV) Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversation date and likely impact on equity.

During the year under review, the Company has not issued any GDR's / ADR's / Warrants / FCCB's or any other Convertible Instruments.

### (XVI) Reconciliation of Share Capital Audit:

Pursuant to Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018, a Company Secretary in Practice carries out Reconciliation of Share Capital Audit to reconcile the total share capital admitted with NSDL and



## **COUNTRY CONDO'S LIMITED**

CDSL and held in physical form, with the issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The audit confirms that the total listed and paid up/ issued share capital is in agreement with the aggregate of the total number of shares in demat form (held by NSDL and CDSL) and in physical form.

M/s. Gopal Dhanaji & Associates, Company Secretaries represented by Mr. Gopal Biradar Dhanaji (Membership No. FCS 7676), Practicing Company Secretary, conducts the Reconciliation of Share Capital Audit of the Company every Quarter for a limited purpose of reconciliation of the total admitted capital with both the depositories (NSDL & CDSL) and the total issued and listed capital. The Quarterly Reconciliation of Share Capital Audit Report which were placed before the Board of Directors were also send in time to all the Stock Exchanges where the Company Shares are Listed.

**(XVII) Plant Locations: Not Applicable**

**(XVIII) Address for Correspondence:**

**Investor correspondence should be addressed to:**

**M/s. Aarhi Consultants Private Limited**  
(Unit: Country Condo's Limited)  
1-2-285, Domalguda, Hyderabad – 500 029  
Ph: 040-2763 8111; 040-2763 4445  
Fax: 040-2763 2184  
Website: [www.aarhiconsultants.com](http://www.aarhiconsultants.com)  
Email: [info@aarhiconsultants.com](mailto:info@aarhiconsultants.com)  
Contact Person: Mr. Bhaskar

**Compliance Officer: Mr. Laxmikanth Jakhotia**  
Company Secretary & Compliance Officer  
# 8-2-703, Mahogany Complex,  
Ground Floor, Amrutha Valley,  
Road No.12, Banjara Hills,  
Hyderabad – 500 034  
Ph: 040-66533618  
Email: [info@countrycondos.co.in](mailto:info@countrycondos.co.in); [countrycondos@gmail.com](mailto:countrycondos@gmail.com)

**(XIX) Depository Services:**

For guidance on Depository Services, Shareholders may write to the Company or to the respective Depositories:

M/s. National Securities Depository Limited Trade World, 4th Floor, Kamala Mills Compound Senapati Bapat Marg, Lower Parel Mumbai – 400 013 Tel : 091-022-24972964-70 Fax : 091-022-24972993-24976351 Email : <a href="mailto:info@nsdl.co.in">info@nsdl.co.in</a>	M/s. Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers 28th Floor, Dalal Street Mumbai – 400 023 Tel : 091-022-22723333 Fax : 091-022-22723199 Email : <a href="mailto:investors@cdslindia.com">investors@cdslindia.com</a>
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**(XX) Nomination Facility:**

Section 72 of the Companies Act, 2013 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders willing to avail this facility may make nomination in Form SH-13 for initial registration of nomination and Form SH-14 for cancellation and variation of nomination as per Companies Act, 2013 to the Company's R&TA. 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.

**(XXI) Company's Policy on Prevention of Insider Trading:**

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, and in connection with your Company's efforts to enhance the standards of corporate governance in the Company, and to strictly monitor and prevent insider trading within the Company, your Company has appointed Sri Laxmikanth Jakhotia, Company Secretary as the Compliance Officer for this purpose. The code is applicable to all such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism. The code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them.

**10. OTHER DISCLOSURES:**

**A. POLICY ON DETERMINATION OF MATERIALITY OF EVENTS:**

The Company has also adopted Policy on Determination of Materiality of Events and Policy on Archival of Documents which has been put up on the website of the Company.

**B. AUDIT FEES:**

For the Financial Year 2019-20, your Company has paid to the Statutory Auditors M/s. P C N & Associates, Chartered Accountants, Plot No.12, "N Heights", Ground Floor, Software Layout Unit, Cyberabad, Hyderabad-500081, Telangana, ₹ 1,00,000 (Rupees One Lakh Only) plus applicable taxes and out of pocket expenses subject to the ratification of the said fees by the members at the ensuing Annual General Meeting pursuant to the Provisions of the Companies Act, 2013. The detailed breakup of the Auditors Fees is given in Notes to Accounts (on Note No. 17 - Other Expenses) forming part of the financial statements.

**C) CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE:**

A certificate from M/s. Gopal Dhanaji & Associates, Company Secretaries represented by Mr. Gopal Biradar Dhanaji (Membership No. FCS 7676), Practicing Company Secretary, stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/ Ministry of Corporate Affairs or any other statutory authority is annexed to this report.

**D) NON ACCEPTANCE OF ANY RECOMMENDATION OF ANY COMMITTEE OF THE BOARD WHICH WAS MANDATORILY REQUIRED:**

During the year, the Board has accepted all recommendation received from all its Committees.

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

<b>I. Disclosure on website in terms of listing regulations</b>	
<b>Item</b>	<b>Compliance Status (Yes/No/NA)</b>
Details of business	Yes
Terms and conditions of appointment of independent directors	Yes
Compositions of various committees of board of directors	Yes
Code of conduct of board of directors and senior management personnel	Yes
Details of establishment of vigil mechanism/ Whistle Blower policy	Yes
Criteria of making payments to non-executive directors	Disclosed in Annual Report
Policy for dealing with related party transactions	Yes
Policy for determining 'material' subsidiaries	Not Applicable

Item	Compliance Status (Yes/No/NA)
Details of familiarization programmes imparted to independent directors	Yes
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes
Email address for grievance redressal and other relevant details	Yes
Financial results	Yes
Shareholding pattern	Yes
Details of agreements entered into with the media companies and/or their associates	Not Applicable
New name and the old name of the listed entity	Not Applicable

II. Annual Affirmations		
Particulars	Regulation Number	Compliance Status (Yes/No/NA)
Independent Director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board Composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/Compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Not Applicable
Performance Evaluation of Independent Directors	17(10)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	Not Applicable
Vigil Mechanism	22	Yes
Policy for Related Party Transaction	23(1),(5),(6),(7)&(8)	Yes
Prior or Omnibus approval of Audit Committee for all Related Party Transactions	23(2),(3)	Yes
Approval for Material Related Party Transactions	23(4)	Not Applicable
Composition of Board of Directors of Unlisted Material Subsidiary	24(1)	Not Applicable
Other Corporate Governance requirements with respect to Subsidiary of Listed Entity	24(2),(3),(4),(5)&(6)	Not Applicable
Annual Secretarial Audit / Secretarial Compliance Report	24A	Yes
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of Independent Directors	25(3) & (4)	Yes
Familiarization of Independent Directors	25(7)	Yes
Memberships in Committees	26(1)	Yes



## **COUNTRY CONDO'S LIMITED**

<b>Particulars</b>	<b>Regulation Number</b>	<b>Compliance Status (Yes/No/NA)</b>
Affirmation with compliance to code of conduct from Members of Board of Directors and Senior Management Personnel	26(3)	Yes
Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
Policy with respect to Obligations of Directors and Senior Management	26(2)	Yes
Policy with respect to Obligation of Directors and Senior Management	26(5)	Not Applicable
Obligation with respect to KMPs, Directors and Promoters	26(6)	Not Applicable

Pursuant to Regulation 7(2) of the Listing Regulations, certificates on half yearly basis have been issued by a qualified practicing Company Secretary confirming the compliance of share transfer formalities by the Company.

### **11. DISCRETIONARY DISCLOSURES:**

The status of compliance with non-mandatory recommendations of the Listing Regulations is as follows:

- a) Shareholders' Rights: As the quarterly and half yearly financial results are published in the newspapers and are also posted on the Company's website, the same are not being sent separately to the shareholders.
- b) Audit Qualifications: The Company's financial statements for the year 2019-20 do not contain any audit qualification.
- c) Reporting of Internal Auditor: The Internal Auditors of the Company directly report to the Audit Committee.

**BY ORDER OF THE BOARD OF DIRECTORS  
For COUNTRY CONDO'S LIMITED**

**PLACE: HYDERABAD  
DATE : 25-08-2020**

**Y. VARUN REDDY  
VICE-CHAIRMAN & DIRECTOR  
DIN: 01905757**

**D. KRISHNA KUMAR RAJU  
VICE-CHAIRMAN & CEO  
DIN: 00115553**

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR  
MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

I, D. Krishna Kumar Raju, Vice-Chairman & Chief Executive Officer of Country Condo's Limited hereby confirm pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') that:

The Board of Country Condo's Limited has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The said code of conduct has also been posted on the Company's website viz. [www.countrycondos.co.in](http://www.countrycondos.co.in). All the Board members and Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended March 31, 2020.

D. Krishna Kumar Raju  
Vice-Chairman & CEO  
DIN: 00115553

Place : Hyderabad  
Date : 25-08-2020

**CERTIFICATE BY THE CHIEF EXECUTIVE OFFICER (CEO) AND  
CHIEF FINANCIAL OFFICER (CFO)**

I, D. Krishna Kumar Raju, Vice- Chairman & CEO and U. Gandhi, Chief Financial Officer of Country Condo's Limited certify:

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2020 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) Instances of significant fraud of which we have become aware and the involvement or an employee having a significant role in the Company's internal control system.

Place : Hyderabad  
Date : 31.07.2020

D. KRISHNA KUMAR RAJU  
VICE-CHAIRMAN & CEO  
DIN: 00115553

U. GANDHI  
CHIEF FINANCIAL OFFICER

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To  
**The Members,  
COUNTRY CONDO'S LIMITED  
Hyderabad**

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance of **M/s. Country Condo's Limited** (hereinafter referred as "the Company") for the Financial Year ended 31<sup>st</sup> March, 2020 as prescribed under Regulations 17 to 27, Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and Paras C, D & E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (hereinafter referred as 'the Listing Regulations') ('applicable criteria') of the said Company with the Stock Exchanges. This Certificate is required by the Company for annual submission to the Stock Exchange and to be sent to the shareholders of the Company.

We state that compliance of conditions of the Corporate Governance is the responsibility of the Management of the Company and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

The management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of the Corporate Governance as stipulated in the Listing Regulations, issued by the SEBI.

In our opinion, and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

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.

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

Place: Hyderabad  
Date: 31-08-2020

**For and Behalf of**  
Gopal Dhanaji & Associates, Company Secretaries

Gopal Biradar Dhanaji  
Proprietor  
CP No. 8415  
Membership No. F7676  
UDIN No. F007676B000639967





## **COUNTRY CONDO'S LIMITED**

### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**Country Condo's Limited**  
8-2-703, Mahogany Complex, Ground Floor  
Amrutha Valley, Road No.12, Banjara Hills  
Hyderabad – 500034, Telangana State, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Country Condo's Limited (CIN: L63040TG1987PLC007811) and having registered office at 8-2-703, Mahogany Complex, Ground Floor, Amrutha Valley, Road No.12, Banjara Hills, Hyderabad – 500034, Telangana State, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>DIN</b>	<b>Date of Appointment</b>
1	Mr. Rajeev Reddy Yedaguri	00115430	August 10, 2009
2	Mr. Siddharth Reddy Yedaguri	00815456	August 10, 2009
3	Mr. Varun Reddy Yedaguri	01905757	August 10, 2009
4	Mr. Krishna Kumar Raju Datla	00115553	September 25, 1987
5	Mrs. Manjula Reddy Yedaguri	00115485	May 29, 2014
6	Mr. Godha Venkateshwar Rao	02712599	July 06, 2009
7	Mr. Sam Reddy Bal Reddy	02712623	July 06, 2009
8	Mr. Athmuri VSB Laxmipathi Rao	02733596	July 06, 2009
9	Mr. V K Ramudu	02712577	July 06, 2009
10	Mr. Kaladindi Subramanyam Raju	00094663	June 28, 2017

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Hyderabad  
Date: 31-08-2020

**For and Behalf of**  
Gopal Dhanaji & Associates, Company Secretaries

Gopal Biradar Dhanaji  
Proprietor  
CP No. 8415  
Membership No. F7676  
UDIN No. F007676B000639934

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF COUNTRY CONDO'S LIMITED****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of M/s COUNTRY CONDO'S LIMITED ("the Company"), which Comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial



## **COUNTRY CONDO'S LIMITED**

performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



## **COUNTRY CONDO'S LIMITED**

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in: (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the IndAS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:



## **COUNTRY CONDO'S LIMITED**

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have pending litigations which would have impact on its financial position.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

### **For P C N & Associates**

Chartered Accountants  
FRN : 016016S

### **Chandra Babu M**

Partner  
M.No: 227849

Place: Hyderabad  
Date: 31-07-2020

UDIN: 20227849AAAAFD2921



**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of M/s COUNTRY CONDO'S LIMITED of even date

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) Of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of M/s COUNTRY CONDO'S LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act , 2013 , to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable



## **COUNTRY CONDO'S LIMITED**

detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **For P C N & Associates**

Chartered Accountants  
FRN: 016016S

### **Chandra Babu M**

Partner  
M.No: 227849

Place: Hyderabad  
Date: 31-07-2020

UDIN: 20227849AAAAFD2921



**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of COUNTRY CONDO'S LIMITED of even date**

- i. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the title deeds of immovable properties, they are held in the name of the company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on such verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii), (iii) (a), (iii) (b) and (iii) (c) of the said order are not applicable to the company.
- iv. The company has not made any investments or granted any loans to the parties covered under section 185 and 186 of the Companies Act, 2013. The company has provided Corporate Guarantee for which the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Custom Duty, Goods and Services Tax and other material statutory dues, as applicable, with the appropriate authorities in India.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
  - (c) According to the information and explanation given to us and based on the records of the company examined by us, there are no dues of Income Tax, Goods and Service Tax and Customs Duty which have not been deposited as at March 31, 2020 on account of any dispute.





## **COUNTRY CONDO'S LIMITED**

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment of private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

### **For P C N & Associates**

Chartered Accountants  
FRN: 016016S

### **Chandra Babu M**

Partner  
M.No: 227849

Place: Hyderabad

Date: 31-07-2020

UDIN: 20227849AAAAFD2921

**COUNTRY CONDO'S LIMITED**

**Balance Sheet as at 31st March, 2020**

(Amount in ₹)

Particulars		Note No	As at 31-03-2020	As at 31-03-2019
<b>1</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	1	5,06,60,467	5,08,91,727
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	2	17,22,35,135	14,31,80,885
	(b) Financial Assets			
	i) Cash and Cash equivalents	3	4,31,87,867	2,88,95,604
	(c) Other current assets	4	3,89,26,610	4,52,80,594
	<b>Total</b>		<b>30,50,10,079</b>	<b>26,82,48,810</b>
<b>1</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Equity Share Capital	5	7,75,97,300	7,75,97,300
	(b) Other Equity	6	11,32,71,184	10,70,57,503
	<b>LIABILITIES</b>			
<b>2</b>	<b>Non-Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	7	1,06,26,931	1,09,20,362
	(b) Deferred tax liabilities (Net)	8	22,96,175	23,27,211
<b>3</b>	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Trade Payables	9	2,41,110	15,53,642
	(b) Other current liabilities	10	10,09,77,379	6,87,92,792
	<b>Total</b>		<b>30,50,10,079</b>	<b>26,82,48,810</b>

Summary of Significant Accounting Policies  
 The accompanying Notes are an Integral Part of the Financial Statements  
 AS PER OUR REPORT OF EVEN DATE

For **P C N & Associates**  
 Chartered Accountants  
 FRN: 016016S

For **COUNTRY CONDO'S LIMITED**

**Chandra Babu. M**  
 Partner  
 M.No.: 227849

**Y. Rajeev Reddy**  
 Chairman & Director  
 DIN. 00115430

**D. Krishna Kumar Raju**  
 Vice Chairman & CEO  
 DIN. 00115553

**U. Gandhi**  
 Chief Financial Officer

**Laxmikanth Jakhotia**  
 Company Secretary

Place: Hyderabad  
 Date : 31-07-2020

## COUNTRY CONDO'S LIMITED

## Statement of Profit and Loss for the Period Ended 31st March, 2020

(Amount in ₹)

Particulars	Note No	For the Year Ended	
		31-03-2020	31-03-2019
I (a) Revenue From Operations	11	17,88,89,287	20,33,08,723
(b) Other Income	12	12,18,706	6,66,303
<b>Total Revenue (a+b)</b>		<b>18,01,07,993</b>	<b>20,39,75,026</b>
II <b>Expenses</b>			
(a) Cost of materials consumed	13	-	34,11,712
(b) Purchase of Land/Development	14	11,53,40,738	14,18,36,815
(c) (Increase)/ Decrease in inventories	15	(2,90,54,250)	(1,19,79,000)
(d) Employee benefit expense	16	2,60,45,864	2,83,07,360
(e) Other Expenses	17	5,46,94,833	3,05,03,691
(f) Finance Cost	18	10,38,037	11,68,224
(g) Depreciation	1	36,07,976	31,75,548
<b>Total Expenses</b>		<b>17,16,73,198</b>	<b>19,64,24,350</b>
III <b>Profit/(Loss) before Exceptional Items and Tax (I-II)</b>		84,34,795	75,50,676
IV Exceptional Items		-	-
V <b>Profit/(Loss) before tax (III-IV)</b>		<b>84,34,795</b>	<b>75,50,676</b>
VI Tax expense:			
(1) Current Tax		22,52,150	23,31,050
(2) Deferred tax		(31,036)	(7,334)
VII <b>Net Profit/(Loss) after Tax (V-VI)</b>		<b>62,13,681</b>	<b>52,26,960</b>
VIII Other Comprehensive Income (net of tax)		-	-
IX <b>Total Comprehensive Income (VII+VIII) (comprising Profit/(Loss) and other Comprehensive Income)</b>		<b>62,13,681</b>	<b>52,26,960</b>
X Paid-up Equity Share Capital (Face Value: Rs.1 per share)		7,75,97,300	7,75,97,300
XI Earning per equity share:(Refer Note No.20)			
(1) Basic		0.08	0.07
(2) Diluted		0.08	0.07

## Summary of Significant Accounting Policies

The accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

For P C N &amp; Associates

Chartered Accountants

FRN: 016016S

**Chandra Babu. M**

Partner

M.No.: 227849

For COUNTRY CONDO'S LIMITED

**Y. Rajeev Reddy**  
Chairman & Director  
DIN. 00115430

**D. Krishna Kumar Raju**  
Vice Chairman & CEO  
DIN. 00115553

**U. Gandhi**  
Chief Financial Officer

**Laxmikanth Jakhotia**  
Company Secretary

Place: Hyderabad

Date : 31-07-2020

**COUNTRY CONDO'S LIMITED**

**Cash Flow Statement for the Year Ended on 31st March, 2020**

(Amount in ₹)

Particulars		For the Year Ended	
		31-03-2020	31-03-2019
<b>A</b>	<b>Cash Flow from Operating activities :</b>		
	<b>Net Profit after Interest &amp; Depreciation but before Tax</b>	84,34,795	75,50,676
	Depreciation	36,07,976	31,75,548
	Interest paid	10,38,037	11,68,224
	<b>Operating Profit before working capital changes</b>	<b>1,30,80,808</b>	<b>1,18,94,448</b>
	<b>Adjustments for :</b>		
	Trade and Other Payables	2,86,19,904	(66,41,188)
	Inventories	(2,90,54,250)	(1,18,82,846)
	Other Current Assets	63,53,984	1,53,18,617
	<b>Cash generated from operations</b>	<b>1,90,00,446</b>	<b>86,89,031</b>
	<b>Net Cash flow from Operating activities (before &amp; after extraordinary items) "A"</b>	<b>1,90,00,446</b>	<b>86,89,031</b>
<b>B</b>	<b>Net Cash from Investing activities :</b>		
	Purchase of Property, Plant and Equipment	(33,76,715)	(38,47,620)
	Sale of Fixed Assets	-	7,24,501
	<b>Net cash flow from Investing activities " B "</b>	<b>(33,76,715)</b>	<b>(31,23,119)</b>
<b>C</b>	<b>Cash Flow from Financing activities</b>		
	Interest paid	(10,38,037)	(11,68,224)
	Borrowings	(2,93,431)	(29,86,168)
	<b>Net Cash flow from Financing activities " C "</b>	<b>(13,31,468)</b>	<b>(41,54,392)</b>
<b>D</b>	<b>Net ( Decrease ) / Increase in Cash and Cash Equivalents ( A + B + C )</b>	<b>1,42,92,263</b>	<b>14,11,520</b>
	Cash and Cash Equivalents at the beginning	2,88,95,604	2,74,84,084
	Cash and Cash Equivalents at the end	<b>4,31,87,867</b>	<b>2,88,95,604</b>

AS PER OUR REPORT OF EVEN DATE

For **P C N & Associates**  
Chartered Accountants  
FRN: 016016S

For and on behalf of the Board

**Chandra Babu. M**  
Partner  
M.No.: 227849

**Y. Rajeev Reddy**  
Chairman & Director  
DIN. 00115430

**D. Krishna Kumar Raju**  
Vice Chairman & CEO  
DIN. 00115553

**U. Gandhi**  
Chief Financial Officer

**Laxmikanth Jakhotia**  
Company Secretary

Place: Hyderabad  
Date : 31-07-2020

## **1. General Information**

The company's main activity broadly consists of Real estate operations. The company's real estate operations consist of procurement of land banks across the country, develop them into residential layouts with all amenities including club house and sell them in plots to customers. The company also undertakes allied activities of construction of compound walls etc. in the developed layouts. The company is also planning to undertake construction and sale of Condos. The company has discontinued the hospitality activity from 1st October 2018 and has leased out the assets of the division.

## **2. Basis of preparation of financial statements**

### **2.1 Statement of Compliance**

The financial statements have been prepared in accordance of Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

The Company's financial statements up to and for the year ended March 31, 2016 were prepared in accordance with the Companies (Accounting Standards) Rules 2006, notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

### **2.2 Basis of measurement**

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the statement of financial position:

- certain financial assets and liabilities are measured at fair value;
- employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation;
- long term borrowings are measured at amortized cost using the effective interest rate method.

### **2.3 Functional currency**

The financial statements are presented in Indian rupees, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

All amounts are in Indian Rupees except share data, unless otherwise stated.

### **2.4 Operating cycle**

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within twelve months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

## **COUNTRY CONDO'S LIMITED**

### *Liabilities:*

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current.

### **2.5 Critical accounting judgments and key sources of estimation uncertainty operating cycle**

In the application of the Company's accounting policies, which are described in note 3, the management of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgments that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

#### ***Provision and contingent liability***

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

#### **Useful lives of depreciable assets**

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2020 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

## **3. Significant accounting policies**

### **3.1 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates and GST are recognised when all significant risks and rewards of ownership of the goods sold are transferred.

## **COUNTRY CONDO'S LIMITED**

- Dividend income is accounted for when the right to receive the income is established.
- Revenue from Sale of plots is recognised when registrations of individual plots are completed.

Completed service contact method is a method of accounting which recognizes revenue in the statement of profit and loss only when the rendering of services under a contract is completed or substantially completed.

Proportionate completion method is a method of accounting which recognizes revenue in the statement of profit and loss proportionately with degree of completion of services under a contract.

### **3.2 Borrowing costs**

Specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

### **3.3 Taxation**

Income Tax expense consists of Current and Deferred Tax. Income Tax expense is recognized in the Income Statement except to the extent that it relates to items recognized directly in Equity, in which case it is recognized in Equity.

#### *Current tax:*

Current Tax is the expected tax payable on the Taxable Income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

#### *Deferred tax:*

Deferred Tax is recognized using the Balance Sheet method, providing for temporary differences between the carrying amounts of Assets and Liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred Tax is not recognized for the following temporary differences: the initial recognition of Assets or Liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred Tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred Tax Assets and Liabilities are offset if there is a legally enforceable right to offset Current Tax Liabilities and Assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax Liabilities and Assets on a net basis or their Tax Assets and Liabilities will be realized simultaneously.

A Deferred Tax Asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred Tax Assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### **3.4 Earnings per share**

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

## **COUNTRY CONDO'S LIMITED**

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

### **3.5 Property, plant and equipment**

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

### **3.6 Depreciation**

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

The Company has componentised its PPE and has separately assessed the life of major components. In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets.

Such classes of assets and their estimated useful lives are as under:

<b>Particulars</b>	<b>Useful life</b>
Buildings	30 years
Plant and Machinery	15 years
Electrical Equipment	5 years
Office Equipment	5 years
Computers - Laptops & Desktops	3 years
Computers - Servers	6 Years
Furniture and Fixtures	10 years
Vehicles - Four Wheelers	8 years
Vehicles - Two Wheelers	10 years
Leasehold Improvements	10 years





## **COUNTRY CONDO'S LIMITED**

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.

### **3.7 Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

### **3.8 Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated. Bank overdrafts are classified as part of cash and cash equivalent, as they form an integral part of an entity's cash management.

### **3.9 Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### **3.10 Contingent liabilities & contingent assets**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

**COUNTRY CONDO'S LIMITED - 2019-20**  
**NOTE NO. 1 : Property, Plant and Equipment**

(Amount in ₹)

DESCRIPTION OF ASSET	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Block as at 01/04/2019	Additions during the year	Deletions during the year	Total Block as at 31/03/2020	Upto 31-03-2019	For the year	Adjustments during the year	Total as at 31/03/2020	As at 31/03/2020	As at 31/03/2019
<b>I Property</b>										
(a) Land & Site Development	1,91,48,091	-	-	1,91,48,091	-	-	-	-	1,91,48,091	1,91,48,091
(b) Buildings	2,44,61,424	-	-	2,44,61,424	61,26,847	7,71,818	-	68,98,665	1,75,62,759	1,83,34,577
Total	<b>4,36,09,515</b>	-	-	<b>4,36,09,515</b>	<b>61,26,847</b>	<b>7,71,818</b>	-	<b>68,98,665</b>	<b>3,67,10,850</b>	<b>3,74,82,668</b>
<b>II Plant and Equipment</b>										
(a) Plant & Machinery	57,71,698	-	-	57,71,698	27,06,593	3,87,877	-	30,94,470	26,77,228	30,65,105
(b) Office Equipment	21,08,640	80,219	-	21,88,859	15,75,849	1,87,053	-	17,62,902	4,25,957	5,32,791
(c) Furniture & Fixtures	20,97,448	19,864	-	21,17,312	13,59,315	2,09,731	-	15,69,046	5,48,266	7,38,133
(d) Vehicles	1,37,81,295	29,35,700	-	1,67,16,995	50,67,331	18,15,954	-	68,83,285	98,33,710	87,13,964
(e) Computers	22,83,353	3,40,932	-	26,24,285	19,24,286	2,35,543	-	21,59,829	4,64,456	3,59,067
Total	<b>2,60,42,434</b>	<b>33,76,715</b>	-	<b>2,94,19,149</b>	<b>1,26,33,374</b>	<b>28,36,158</b>	-	<b>1,54,69,532</b>	<b>1,39,49,617</b>	<b>1,34,09,060</b>
<b>Total (I + II)</b>	<b>6,96,51,949</b>	<b>33,76,715</b>	-	<b>7,30,28,664</b>	<b>1,87,60,221</b>	<b>36,07,976</b>	-	<b>2,23,68,197</b>	<b>5,06,60,467</b>	<b>5,08,91,727</b>
Previous Year	6,74,88,578	38,47,620	16,84,249	6,96,51,949	1,65,44,422	31,75,548	9,59,748	1,87,60,222	5,08,91,727	5,09,44,156

**COUNTRY CONDO'S LIMITED  
NOTES TO BALANCE SHEET**

(Amount in ₹)

**NOTE NO. 2 : INVENTORIES**

Sl. No.	Particulars	As at 31-03-2020	As at 31-03-2019
I	Land and Land Development Expenditure	17,22,35,135	14,31,80,885
	<b>Total Inventories</b>	<b>17,22,35,135</b>	<b>14,31,80,885</b>

**NOTE NO. 3 : CASH AND CASH EQUIVALENTS**

Sl. No.	Particulars	As at 31-03-2020	As at 31-03-2019
I	Cash on hand	1,47,131	3,44,625
II	Balances with banks	4,30,40,736	2,85,50,979
	<b>Total Cash and Cash Equivalents</b>	<b>4,31,87,867</b>	<b>2,88,95,604</b>

**NOTE NO. 4 : OTHER CURRENT ASSETS**

Sl. No.	Particulars	As at 31-03-2020	As at 31-03-2019
I	Advances other than Capital advances		
	(a) Security Deposit		
	Unsecured, Considered Good	11,21,103	8,11,103
		11,21,103	8,11,103
	(b) Advances to Related Parties		
	Unsecured, Considered Good		
	(a) Zen Garden Hotels Pvt Ltd	11,10,080	11,10,080
		11,10,080	11,10,080
	(c) Other Advances		
	Unsecured, Considered Good		
	(i) Advance for Land and Land Development	1,12,11,661	2,39,94,745
	(ii) Advance for Site Registrations	40,16,187	62,12,042
	(iii) Advance for Other Expenses	13,82,062	2,11,864
	(iv) Advance to Employees	4,04,047	3,08,932
		1,70,13,957	3,07,27,583
II	Others		
	(a) TDS/TCS Receivables	12,94,892	1,02,664
	(b) GST Receivables	25,93,533	20,03,391
	(c) Advance Taxes	9,00,000	19,34,000
	(d) Chit Receivables	1,48,93,045	85,91,773
		1,96,81,470	1,26,31,828
	<b>Total Other current assets</b>	<b>3,89,26,610</b>	<b>4,52,80,594</b>

**NOTE NO. 5 : EQUITY SHARE CAPITAL**

Sl. No.	Particulars	As at 31-03-2020	As at 31-03-2019
I	<u>Share Capital</u>		
	(a) Authorised (No.of Shares 35,00,00,000)	<b>35,00,00,000</b>	<b>35,00,00,000</b>
	(b) Issued, Subscribed & Fully Paid Up (No.of Shares 7,75,97,300)	7,75,97,300	7,75,97,300
	(c) Par Value per share Re.1/- Each		
	<b>Total Equity Share capital</b>	<b>7,75,97,300</b>	<b>7,75,97,300</b>
II	<u>A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:</u>	<b>Number of Shares</b>	
	Equity Shares of Fully paid up :		
	At the Beginning	7,75,97,300	7,75,97,300
	Add: Issued during the year	-	-
	At the end	<b>7,75,97,300</b>	<b>7,75,97,300</b>
III	<u>Details of Shareholder holding more than 5% shares of the company:</u>	<b>% of Share Holding</b>	
	Equity Shares of Re. 1/- each Held by Mr.Y. Rajeev Reddy - No.of Shares (C.Y) 39855121, (P.Y) 39855121	51.36	51.36

**NOTE NO. 6 : OTHER EQUITY**

Sl. No.	Particulars	As at 31-03-2020	As at 31-03-2019
I	Capital reserve		
	As at the commencement of the year	2,29,82,670	2,29,82,670
	Add: Additions during the year	-	-
		<b>2,29,82,670</b>	<b>2,29,82,670</b>
II	Securities Premium Reserve		
	As at the commencement of the year	4,99,35,300	4,99,35,300
	Add: Additions during the year	-	-
		<b>4,99,35,300</b>	<b>4,99,35,300</b>
III	Surplus		
	Opening Balance - Profit and Loss Account	3,41,39,533	2,89,12,573
	Add: Transfer from Profit & Loss Account	62,13,681	52,26,960
		<b>4,03,53,214</b>	<b>3,41,39,533</b>
	<b>Total Other Equity</b>	<b>11,32,71,184</b>	<b>10,70,57,503</b>

**NOTE NO. 7 : BORROWINGS**

Sl. No.	Particulars	As at 31-03-2020	As at 31-03-2019
I	Term Loans Secured Vehicle Loans from Banks & Financial Institutions		
	(i) AXIS Bank LTD	10,93,638	26,74,461
	(ii) ICICI Bank LTD	3,17,110	4,21,654
	(iii) HDFC Bank	7,56,385	-
	(iv) Mahindra & Mahindra Fin Services Limited	11,35,549	-
		33,02,682	30,96,115
II	Loan from Others Unsecured		
	(i) Others	73,24,249	78,24,247
		73,24,249	78,24,247
	<b>Total Borrowings</b>	<b>1,06,26,931</b>	<b>1,09,20,362</b>

**NOTE NO. 8 : DEFERRED TAX LIABILITY (NET)**

Sl. No.	Particulars	As at 31-03-2020	As at 31-03-2019
I	Opening Deferred tax Liability	23,27,211	23,34,545
	<b>Add:</b> Deferred Tax Liability for the year (Due to SLM and WDV Difference)	(31,036)	(7,334)
	<b>Deferred Tax Liability/(Asset) - Net</b>	<b>22,96,175</b>	<b>23,27,211</b>

**NOTE NO. 9 : TRADE PAYABLES**

Sl. No.	Particulars	As at 31-03-2020	As at 31-03-2019
I	Total outstanding dues of Micro, Small and Medium enterprises	-	-
II	Total outstanding dues of Creditors Other than Micro, Small and Medium enterprises	2,41,110	15,53,642
	<b>Total Trade Payables</b>	<b>2,41,110</b>	<b>15,53,642</b>

**NOTE NO. 10 : OTHER CURRENT LIABILITES**

Sl. No.	Particulars	As at 31-03-2020	As at 31-03-2019
I	Advances Received from Customers	8,62,43,521	5,56,56,790
II	Provision for Income Tax	22,52,150	23,31,050
III	Statutory Dues	10,44,309	12,57,249
IV	Provision for Expenses	1,14,37,399	95,47,703
	<b>Total other current liabilities</b>	<b>10,09,77,379</b>	<b>6,87,92,792</b>

**COUNTRY CONDO'S LIMITED**  
**NOTES TO STATEMENT OF PROFIT & LOSS**

(Amount in ₹)

**NOTE NO. 11 : REVENUE FROM OPERATIONS**

Sl. No.	Particulars	For the Period Ended	
		31-03-2020	31-03-2019
I	Income from operations		
	(a) Real Estate Income	17,88,89,287	19,15,81,773
	(b) Hospitality Income	-	1,17,26,950
	<b>Total Revenue from Operations</b>	<b>17,88,89,287</b>	<b>20,33,08,723</b>

**NOTE NO. 12 : OTHER INCOME**

Sl. No.	Particulars	For the Period Ended	
		31-03-2020	31-03-2019
I	Lease Rental Income	5,50,000	-
II	Other Income	6,68,706	1,33,682
III	Profit on Chits	-	5,32,621
	<b>Total Other Income</b>	<b>12,18,706</b>	<b>6,66,303</b>

**NOTE NO. 13 : COST OF MATERIALS CONSUMED**

Sl. No.	Particulars	For the Period Ended	
		31-03-2020	31-03-2019
I	Opening Raw Material	-	96,154
	Add: Purchases during the year	-	33,15,558
		-	34,11,712
	Less: Closing Raw Material	-	-
	<b>Total Cost Of Material Consumed</b>	<b>-</b>	<b>34,11,712</b>

**NOTE NO. 14 : PURCHASE OF LAND /LAND DEVELOPMENT**

Sl. No.	Particulars	For the Period Ended	
		31-03-2020	31-03-2019
I	Purchase of Land	-	1,07,50,400
II	Land Development Charges	11,53,40,738	13,10,86,415
	<b>Total Trade Expenses</b>	<b>11,53,40,738</b>	<b>14,18,36,815</b>

**NOTE NO. 15 : (INCREASE)/DECREASE IN INVENTORIES**

Sl. No.	Particulars	For the Period Ended	
		31-03-2020	31-03-2019
I	Work In Progress		
	Beginning of the year	14,31,80,885	13,12,01,885
	Less : End of the year	17,22,35,135	14,31,80,885
	<b>(Increase) / Decrease in Inventories</b>	<b>(2,90,54,250)</b>	<b>(1,19,79,000)</b>

**NOTE NO. 16 : EMPLOYEE BENEFIT EXPENSES**

Sl. No.	Particulars	For the Period Ended	
		31-03-2020	31-03-2019
I	Salaries, Wages & Bonus	2,35,89,778	2,56,92,107
II	Contribution to Provident Fund & ESIC	14,60,216	14,63,316
III	Staff Welfare Expenses	9,95,870	11,51,937
	<b>Total Employee Benefit Expenses</b>	<b>2,60,45,864</b>	<b>2,83,07,360</b>

**NOTE NO. 17 : OTHER EXPENSES**

Sl. No.	Particulars	For the Period Ended	
		31-03-2020	31-03-2019
I	Administrative Expenses		
	(a) Telephone, Postage and Others	8,80,467	10,37,700
	(b) Business Promotion Expenses	1,09,430	1,45,431
	(c) Travelling & Conveyance	13,53,272	21,45,337
	(d) Office Maintenance	22,84,334	26,08,739
	(e) Printing & Stationery Expenses	7,26,257	5,05,764
	(f) Rates & Taxes (excluding Income Tax)	7,22,411	12,77,369
	(g) Consultancy Charges	53,44,085	49,54,106
	(h) Commission Charges	3,57,35,570	92,13,918
	(i) Advertisement Charges	95,763	2,95,936
	(j) Bank Charges	46,94,461	30,50,178
	(k) Interest on late payment of Taxes	28,331	44,206
	(l) Prior Period Taxes	1,02,064	10,82,944
		<b>5,20,76,445</b>	<b>2,63,61,628</b>
II	Other Operating Expenses		
	(a) Power & Fuel	-	10,99,494
	(b) Upkeep & Service Cost	-	9,46,725
	(c) Rent	22,24,500	18,40,966
	(d) General Expenditure	2,93,888	1,54,878
	(e) Payment to Auditors:		
	(i) As Auditor	70,000	70,000
	(ii) For Taxation matters	30,000	30,000
		<b>26,18,388</b>	<b>41,42,063</b>
	<b>Total Other Expenses</b>	<b>5,46,94,833</b>	<b>3,05,03,691</b>

**NOTE NO. 18 : FINANCE COST**

Sl. No.	Particulars	For the Period Ended	
		31-03-2020	31-03-2019
I	Interest Charges		
	(a) Interest on Loans from Others	6,58,850	8,96,325
	(b) Interest on Vehicle Finance	3,79,187	2,71,899
	<b>Total Finance Cost</b>	<b>10,38,037</b>	<b>11,68,224</b>

**NOTE NO. 19:****Related Party Transactions:**

Particulars of Related Party Transactions as at 31-03-2020:

Name of the Related Party	Nature of the Related Party	Nature of Transaction	Amount (₹)
Country Club Hospitality & Holidays Limited	Common Directors Interested	Lease Rent Received	5,50,000
Zen Garden Hotels Private Limited	Common Directors Interested	Advance Receivable	11,10,080

**NOTE NO. 20:****Earnings per Share:**

Particulars	2019-20	2018-19
Net profit after tax (₹)	62,13,681	52,26,960
Weighted Average Numbers of shares	7,75,97,300	7,75,97,300
Basic and Diluted EPS (₹)	0.08	0.07

21. Detailed information regarding quantitative particulars under part II of Schedule III to the Companies Act, 2013. Quantitative details are not furnished as the company is in the activity of Real Estate. Closing Inventories of Land and Land Development Expenditure is ₹17,22,35,135/- for current year (previous year ₹14,31,80,885/-).
22. **Segment Reporting:** The company has discontinued the hospitality activity from 1st October 2018 and has leased out the assets of the division. The fixed assets relating to hospitality division are also included in real estate division. The company is presently carrying on only real estate activity and accordingly segment reporting is applicable only up to 30<sup>th</sup> September 2018.

**Business Segments:**

The Company is currently operating single segment

**(Amount in ₹)**

Profit and Loss Statements for the year ended 31st March, 2020	Real Estates
Revenues	17,88,89,287
Unallocable Revenue	12,18,706
Direct Expenses	17,16,73,198
Gross Income	84,34,795
Net Profit Before Taxes	84,34,795
Tax Expenses	22,21,114
Net Profit After Taxes	62,13,681





## **COUNTRY CONDO'S LIMITED**

### **23. Contingent Liability:**

- a) The Company has given the Corporate Guaranty to Vijaya Bank, Bank of India and Union Bank of India in respect of Term Loan availed by M/s. Country Club Hospitality & Holidays Limited.  
The details of the Property given as Collateral securities are as follows.  
Company's Immovable Property Situated at No.20/1-524, Sy No: 20/1, Geddanahalli, Attibele Hobli, Anekal Taluk, Bangalore District Pin-562107.
- b) The Company has given the Corporate Guaranty to Central Bank Of India in respect of Term Loan availed by M/s. Country Club Hospitality & Holidays Limited.  
The details of the Property given as Collateral securities are as follows.  
Company's Immovable Property Situated at Sy No:101/3,102/3,103/1,103/2 & 103/17, Kumbalgodu, Kengeri Hobli beside Mc.dowell Unit near Mysore Road under BBMP, Bangalore
24. The outbreak of COVID-19 epidemic has significantly impacted businesses around the world. The Government of India ordered a national wide lockdown, initially for 21 days which further got extended twice to prevent community spread of COVID-19 in India. This has resulted in significant reduction in economic activities. With respect of operations of the Company, it has impacted its business by way of interruption in development activities, unavailability of personnel, closure/lockdown of various other facilities etc.,
25. The Company has also assessed the potential impact of COVID-19 on the carrying value of Property, plant & equipment, right to use assets, intangible assets, investments, trade receivables, inventories and other current assets appearing in the financial statements of the company. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these Financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. The impact of the global health pandemic may be different from the estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.
26. Previous year's numbers have been regrouped, rearranged, recasted, wherever necessary to conform to Current Year Classification.
27. The numbers have been rounded off to the nearest rupee.

AS PER OUR REPORT OF EVEN DATE

For **P C N & Associates**  
Chartered Accountants  
FRN: 016016S

**Chandra Babu. M**  
Partner  
M.No.: 227849

For and on behalf of the Board  
**For COUNTRY CONDO'S LIMITED**

**Y. Rajeev Reddy**  
Chairman & Director  
DIN. 00115430

**D. Krishna Kumar Raju**  
Vice Chairman & CEO  
DIN. 00115553

**U. Gandhi**  
Chief Financial Officer

**Laxmikanth Jakhotia**  
Company Secretary

Place : Hyderabad  
Date : 31-07-2020

## **COUNTRY CONDO'S LIMITED**

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