

# SOLID FOUNDATION EXPRESS GROWTH

Country Club (India) Limited | Annual Report 2013-14



# Corporate Information

## Board of Directors

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

**Company Secretary :** Smt V. Sreelatha

## Contacts

### Registered Office

'Amrutha Castle',  
5-9-16, Saifabad,  
Opp: Secretariat,  
Hyderabad - 500 063  
  
Phone: +91 40 6684 8888  
Fax: +91 40 6684 3444  
Website: [www.countryclubindia.net](http://www.countryclubindia.net)

### Registrar and Share Transfer Agents

Aarthi Consultants Private Limited  
1-2-285, Domalguda,  
Hyderabad - 500 029  
  
Phone: +91 40 2763 8111  
+91 40 2763 4445  
Fax: +91 40 2763 2184  
Website: [www.aarthiconsultants.com](http://www.aarthiconsultants.com)  
E-mail: [info@arthiconsultants.com](mailto:info@arthiconsultants.com)

### Auditor

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

### Bankers

National Bank of Fujairah  
Canara Bank  
Central Bank of India  
Saraswat Co-Operative Bank Limited  
Union Bank of India  
Cosmos Co-Operative Bank Limited  
Vijaya Bank  
Bank of India  
Oriental Bank of Commerce

## Listed on

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

**Book Closure Dates:** 23rd September, 2014 to 30th September, 2014 (Both days inclusive)

## Country Club (India) Limited

CIN: L91990AP1991PLC012714

# Notice

NOTICE is hereby given that the 23rd Annual General Meeting of the members of M/s. Country Club (India) Limited will be held on **Tuesday, the 30th day of September, 2014 at 11.00 A.M at Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad - 500 003** to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the audited statement of Profit & Loss for the year ended on 31st March 2014 and the audited Balance Sheet as on that date together with the notes thereto and the Reports of the Auditors and Directors thereon.
2. To declare dividend on the equity shares of the Company.
3. To appoint a Director in place of Smt. Y. Manjula Reddy (DIN: 00115485), Director who retires by rotation and being eligible offers herself for re-appointment.
4. 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 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the audit committee of the Board of Directors, M/s. P. Murali & Co., Chartered Accountants, Hyderabad (Registration No. 007257S), be and are hereby re-appointed as the auditors of the Company, to hold office from the conclusion of this AGM to the Conclusion of the Third consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM), at such remuneration, plus service tax as may applicable and reimbursement of actual out of

pocket expenses as may be incurred in the performance of their duties, as the Board of Directors may fix in this behalf."

### Special Business:

#### 5. To Appoint Sri K. Satyanarayana Raju (DIN: 00979484) as an Independent Director:

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 Sections 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 Clause 49 of the Listing Agreement, Sri K. Satyanarayana Raju (DIN: 00979484), Director of the Company who retires by rotation at the Annual General Meeting 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 K. Satyanarayana Raju 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 30th September, 2014, not liable to retire by rotation."

#### 6. To Appoint Sri Indukuri Venkata Subba Raju (DIN: 02274771) as an Independent Director:

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

Sections 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 Clause 49 of the Listing Agreement, Sri Indukuri Venkata Subba Raju (DIN: 02274771), Director of the Company who retires by rotation at the Annual General Meeting 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 Indukuri Venkata Subba Raju 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 30th September, 2014, not liable to retire by rotation."

#### 7. To Appoint Sri Y. Subba Rao (DIN: 03030193) as an Independent Director:

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 Sections 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 Clause 49 of the Listing Agreement, Sri Y. Subba Rao (DIN: 03030193), Director of the Company who retires by rotation at the Annual General Meeting 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 Y. Subba Rao 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 30th September, 2014, not liable to retire by rotation."

**8. To Appoint Sri D. V. Ratna Kishore (DIN: 01017518), as an Independent Director:**

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 Sections 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 Clause 49 of the Listing Agreement, Sri D. V. Ratna Kishore (DIN: 01017518), Director of the Company who retires by rotation at the said Annual General Meeting 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 D. V. Ratna Kishore 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 30th September, 2014, not liable to retire by rotation."

**9. To Appoint Sri Venkateswara Dontireddy Reddy (DIN: 06955859), as an Independent Director:**

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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 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 Clause 49 of the Listing Agreement, Sri Venkateswara Dontireddy Reddy (DIN: 06955859), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014, not liable to retire by rotation."

**10. Adoption of new Articles of Association in conformity with Companies Act, 2013:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**11. To regularize the Contract entered with M/s. Country Condo's Limited:**

To consider and if thought fit, to pass with or

without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of section 188 and other applicable provisions if any, of the companies Act, 2013 (the 'Act') read with applicable rules under Companies (Meetings of Board and its powers) Rules, 2014 and in terms of applicable provisions of Listing Agreement executed with the Stock Exchanges (including any amendment, modification or re-enactment thereof), and subject to such other approvals, consents, sanctions and permissions as may be necessary, consent of the members of the company be and is hereby accorded to the Board of Directors for the ratification of the related party transaction entered into with M/s. Country Condo's Limited (Related party within the meaning of the Act), which is engaged in the activity of acquiring and selling of lands and other real estate activities and the detailed terms and conditions of which are mentioned in Item no. 11 of the explanatory statement annexed to this notice for the purpose of availing the services with such related party.

**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this resolution."

**12. To approve the payment of remuneration to Executive Directors:**

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 Sections 197, 198 and all other applicable

provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Executive Directors of the Company (i.e. the Managing Director and the Whole-time Directors) be paid, remuneration by way of salary, perquisites and allowances, incentive / bonus / performance linked incentive, remuneration based on net profits, etc. as per their respective terms of appointment, as the Board of Directors may from time to time determine, not exceeding in aggregate Ten percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including the Nomination and Remuneration Committee) be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**13. To approve the payment of remuneration to Non-Executive Directors:**

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 Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of

Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Non-Executive Directors of the Company be paid, remuneration, in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof, as the Board of Directors may from time to time determine, not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including the Nomination and Remuneration Committee) be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**14. Change of name of the Company:**

To Consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 13, 14 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, any other applicable law(s), regulation(s), policy(ies) or guideline(s), the provisions of the Memorandum and Articles of Association of the Company and the listing agreement entered into by the

Company with the Bombay Stock Exchange Limited (the “Stock Exchange”) and Madras Stock Exchange (the “Stock Exchange”) and subject to the approval of the Registrar of Companies – Hyderabad (the “ROC”) and other regulatory authorities, as may be applicable, consent of the Shareholders of the Company be and is hereby accorded to change the name of the Company from “Country Club (India) Limited” to “Country Club Hospitality & Holidays Limited”.

**RESOLVED FURTHER THAT** post aforesaid approvals, the name “Country Club (India) Limited” whereby occurs in the Memorandum and Articles of Association and other documents and papers of the Company be substituted by the name “Country Club Hospitality & Holidays Limited”.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and are hereby authorized to make necessary application(s) and to sign, execute and file all such forms, papers and documents as may be considered necessary or expedient including appointing attorneys or authorized representatives under appropriate Letter(s) of Authority to appear before the office of the ROC and other regulatory authorities, as may be applicable, for making application to give effect to the above resolution and to file required documents and information to the Stock Exchange and such other authority(s) as may be required from time to time and to do all such acts, deeds and things as may be required in this connection”.

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

**Y. Rajeev Reddy**  
*Chairman & Managing Director*

Place: Hyderabad  
Date: 14th August, 2014

## Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting.
3. A Proxy Form is annexed to this Report. Members/Proxies should bring duly filled attendance slips sent herewith for attending the meeting along with the copies of Annual Reports to the Annual General Meeting. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the AGM.
4. As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of upto five consecutive years and are not liable to retire by rotation. Accordingly, resolutions proposing appointment

of Independent Directors are given at item nos. 5 to 9. Pursuant to the requirement of Corporate Governance code under the Listing Agreement entered into by the Company, the information about the Directors proposed to be appointed/re-appointed is given in the Annexure to this Notice.

5. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses with the Company, physical copies of the Annual Report are being sent by the permitted mode. Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 23rd September, 2014 to Tuesday, 30th September, 2014 (both days inclusive).
7. Dividend on Equity Shares, if declared at the Meeting, will be paid to all the beneficial owners in respect of shares held in electronic form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of the business hours on 22nd September, 2014. Dividend warrants are scheduled to be posted on or after 4th October, 2014. Dividend warrant is valid for payment by the Company's bankers for three months from

the date of issue. Thereafter, you may contact our Registrar and Share Transfer Agent i.e. M/s. Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad 500 029, for re-validation of the warrants.

8. You are advised to encash your dividend warrants immediately as the dividend amount remaining unclaimed/unpaid at the expiry of seven years from the date that becomes due for payment are required to be transferred by the company to the Investor Education and Protection Fund under Section 124 (Section 205A of the erstwhile Companies Act, 1956) in terms of Section 125 of the Companies Act, 2013. The due date for transfer of unpaid dividend amount to the Investor Education and Protection Fund (IEPF) of the Financial Year 2006 – 07 is 28th October, 2014 For Financial Year 2007 – 08 is 04th October, 2015 For Financial Year 2008 – 09 is 29th October, 2016 For the Financial Year i.e. 2009 – 10 is 29th October, 2017, For the Financial Year i.e. 2010 – 11 is 29th October, 2018, For the Financial Year i.e. 2011 – 12 is 28th October, 2019, For the Financial Year i.e. 2012 – 13 is 29th October, 2020 and For the Current Financial Year i.e. 2013 – 14 is 29th October, 2021 is the due date for the transfer of unpaid dividend amount to the Investor Education and Protection Fund subject to the approval of the members of the Company.
9. Payment of Dividend through Electronic Clearing Services (ECS).

The Securities and Exchange Board of India (SEBI) has made mandatory for the Companies to use ECS facility, wherever available, for distributing dividends or other cash benefits etc., to the investors. This facility provides instant credit of dividend amount to your Bank account electronically at no extra cost. ECS also

eliminates the delay in postal transit and fraudulent encashment of warrants.

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

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

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

10. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 29th August,

2014 are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. The e-voting period will commence at 9.00 a.m. on Wednesday, 24th September, 2014 and will end at 5.00 p.m. on Friday, 26th September, 2014. The Login id & password for e-voting along with process manner and instructions for e-voting is being sent to members along with physical copy of the Notice. The Company has appointed Smt. Rashida Adenwala (Membership No. FCS 4020), Practising Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

#### PROCEDURE FOR E-VOTING

- I. The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating e-voting for AGM. The instructions for e-voting are as under:
  - (a) **In case of Members receiving an e-mail from NSDL:**
    - a. Open your web browser during the voting period and log on to the e-voting website <https://www.evoting.nsdl.com>
    - b. Click on "Shareholder-Login:
    - c. Put user ID and Password noted in step (a) above as the initial password. Click login. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for Login.
    - d. If you are logging in for the first time, Password Change Menu appears. Change

the Password of your choice with minimum 8 digits / characters or a combination thereof. Please note the new Password for all the future e-voting cycles offered on NSDL e-voting Platform. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.

- e. Home page of "e-voting" opens. Click on "e-voting": Active Voting Cycles.
- f. Select "EVEN (E-Voting Event Number)" of Country Club (India) Limited. For and EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution during the voting period.
- g. Now you are ready for "e-voting" as "Cast Vote" Page opens.
- h. Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Kindly note that vote once cast cannot be modified.
- i. Institutional members (i.e. members other than individuals, HUF, NRIs, etc.) are also required to send scanned copy (PDF/JPG format) of the relevant board resolution / authority letter, etc. together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through email at : [scrutinizer@countryclubmail.com](mailto:scrutinizer@countryclubmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- j. The e-voting period will commence at 9.00 a.m. on Wednesday, 24th September, 2014 and will end at 5.00 p.m. on Friday, 26th September, 2014. During this period members, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by NSDL thereafter. Please note

that once the vote on a resolution has been cast, members cannot change it subsequently.

In case of any queries you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the “downloads” section of <https://www.evoting.nsdl.com> or contact NSDL by email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

11. The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report shall also be placed on the website of the Company.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / M/s. Aarthi Consultants Private Limited, (Unit: Country Club (India) Limited).
13. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements

in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

14. Members holding shares in physical form are requested to notify / send any change in their address to the Company's share transfer agents, M/s. Aarthi Consultants Private Limited, (Unit: Country Club (India) Limited), 1-2-285, Domalguda, Hyderabad - 500 029, Andhra Pradesh, or to the Company at its Registered Office with their Folio Number(s).
15. Members holding shares in dematerialised form are requested to notify/send any changes in their address to the concerned Depository Participant (s).
16. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
17. It may be noted that no claim will be entertained against the Company or the Investor Education and Protection Fund in respect of the said unclaimed dividend amount transferred to the fund.

18. Members who hold shares in dematerialized form are requested to write their client ID and DP ID. Those who hold shares in physical form are required to write their Folio Number in the Attendance slip for attending the meeting.

19. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

20. 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.

21. 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.

# Explanatory Statement

[Pursuant to Section 102 (1) of the Companies Act, 2013]

## Item # 5 to 8:

In accordance with the relevant provisions of the Articles of Association of the Company and the erstwhile provisions of the Companies Act, 1956, Sri D. V. Ratna Kishore and Sri K. Satyanarayana Raju were appointed by the Company on 30th October, 2006, Sri Indukuri Venkata Subba Raju was appointed by the Company on 01st July, 2008 and Sri Y. Subba Rao was appointed by the Company on 20th March, 2010 as Independent Directors of the Company. The provisions of the Companies Act, 2013 and rules made thereunder and as per Clause 49 of the Listing Agreement, with respect to appointment and tenure of the Independent Directors have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. This is consistent with the provisions of Companies Act, 2013. With the above changes, the Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by the provisions of Companies Act, 2013.

Sri D. V. Ratna Kishore, Sri K. Satyanarayana Raju , Sri Indukuri Venkata Subba Raju and Sri Y. Subba Rao, who retires by rotation at the Annual General Meeting as per the erstwhile applicable provisions of the Companies Act, 1956, In terms 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 Clause 49 of the Listing Agreement, In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint Sri D. V. Ratna Kishore, Sri K. Satyanarayana Raju , Sri Indukuri Venkata Subba Raju and Sri Y. Subba Rao, as Independent Directors on the Board of the Company for a term upto five consecutive years, commencing from 30th September, 2014 not liable to retire by rotation. A brief profile of proposed Independent Directors, including nature of their expertise, is given in the Annexure to this Notice.

The Company has received the notice in writing under the provisions of Section 160 of the Companies Act, 2013, from members proposing the candidature of Sri D. V. Ratna Kishore, Sri K. Satyanarayana Raju, Sri Indukuri Venkata Subba Raju and Sri Y. Subba Rao for the office of Independent Director.

The Company has received from Sri D. V. Ratna Kishore, Sri K. Satyanarayana Raju , Sri Indukuri Venkata Subba Raju and Sri Y. Subba Rao (i) consent in writing to act as directors 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 they are not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their appointment, is concerned or interested, financially or otherwise, in the Resolution set forth at Item No. 5 to 8 of the Notice.

The Board recommends the resolution set forth at Item No. 5 to 8 of the Notice for the

approval of the members.

## Item # 9:

The Board, at its meeting held on May 30, 2014, appointed Sri Venkateswara Dontireddy Reddy as an Additional Director of the Company pursuant to Section 161 of the Companies Act, 2013, read with Article 94 of Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Sri Venkateswara Dontireddy Reddy 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 Venkateswara Dontireddy Reddy for the office of Independent Director.

The Company has received from Sri Venkateswara Dontireddy Reddy (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.

In terms 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 Clause 49 of the Listing Agreement, In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint Sri Venkateswara Dontireddy Reddy as Independent Director on the Board of the Company for a term upto five consecutive years, commencing from 30th September, 2014 not liable to retire by rotation. A brief profile of Sri Venkateswara Dontireddy Reddy, including nature of his expertise, is given in the Annexure to this Notice.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Sri Venkateswara Dontireddy Reddy for his appointment, is concerned or interested, financially or otherwise, in the Resolution set forth at Item No. 9 of the Notice.

The Board recommends the resolution set forth in Item no. 9 for the approval of the members.

## Item # 10:

The existing Articles of Association (AoA) is based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act. Hence several provisions of the AoA which have turned redundant either under the Companies Act, 1956 or with the coming into force of the Companies Act, 2013 ("the Act") or to reflect the factual position need to be deleted/altered.

Section 6 of the Act explicitly provides that in case of any conflict between the provisions of the Act, and the Memorandum/Articles of Association of the Company, the provisions of the Act will prevail. In light of the same, substantial changes have not been carried out to the Articles of Association of the Company and existing articles have been streamlined and aligned so as to comply with the requirements of the Act. Provisions of the rules framed under the Act are subject to change which may require frequent alterations in the AoA. Hence we propose to alter only significant provisions of the AoA so as to comply with

provisions of the Act and the rules framed thereunder.

The draft AoA is available for inspection at the registered office of the Company on all working days, except Saturday between 11.00 a.m. and 1.00 p.m.

The Directors recommend the Resolution at Item No. 10 of the accompanying Notice, for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested in this Resolution.

#### Item # 11:

On 1st April, 2011 Country Club (India) Limited (CCIL) has entered into a Memorandum of Understanding (MOU) with Country Condo's Limited (CCL), a company registered under the Companies Act, 1956 and having its registered office located at 8-2-703, Mahogany Complex, ground floor, Amrutha Valley, Road no. 12, Banjara Hills, Hyderabad-34 and which is engaged in the activity of acquiring and selling of lands and other real estate activities for the purpose of availing services from CCL for implementing a scheme for improving its member base whereby a piece of land is given as a free gift

on enrolment of every new member.

Further on 30th June, 2014 in continuation with the Existing Memorandum of Understanding (MOU), the board entered a Supplemental Agreement with CCL with certain modifications.

Further as per the circular issued by Securities and Exchange Board of India (SEBI) dated 17th April, 2014 all existing material related party contracts or arrangements as on the date of this circular which are likely to continue beyond 31st March, 2015 shall be placed for approval of the shareholders in the first General Meeting subsequent to 1st October, 2014. However, a company may choose to get such contracts approved by the shareholders even before 1st October, 2014.

Subsequently, the Board of Directors of the company in their meeting held on 14th August, 2014 has approved the ratification of the related party transaction entered into with CCL on 1st April, 2011 & 30th June, 2014 and hence the Board of Directors recommends the resolution for the Members approval by way of Special resolution.

#### Information pursuant to Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014:

S. No	Particulars	Details of Existing Agreement entered on 1st April, 2011	Details of Supplemental Agreement entered on 30th June, 2014
1.	Name of the related party	Country Condo's Limited	Country Condo's Limited
2.	Name of the Director or Key Managerial who is related	Rajeev Reddy Yedaguri, Manjula Reddy Yedaguri, Siddharth Reddy Yedaguri, Varun Reddy Yedaguri, Krishna Kumar Raju Datla.	Rajeev Reddy Yedaguri, Manjula Reddy Yedaguri, Siddharth Reddy Yedaguri, Varun Reddy Yedaguri, Krishna Kumar Raju Datla.
3.	Nature of Relationship	Common Directors & Share holders	Common Directors & Share holders
4.	Nature of the contract	Memorandum of Understanding (MOU) entered on 01st day of April, 2011.	Supplemental Agreement in continuation with the existing agreement entered on 01st April, 2011.
5.	Material terms and particulars of the contract	<ul style="list-style-type: none"> <li>a) CCL shall identify lands around various cities across India and acquire them directly or indirectly.</li> <li>b) CCL shall obtain residential land use certificate for the lands so acquired.</li> <li>c) CCL shall develop the lands into layouts by making plots and provide various amenities like roads, electricity, water, drainage etc. by obtaining permissions from relevant civic authorities.</li> <li>d) CCL shall register the said developed plots in the names of the members of CCIL or its nominees by way of executing a gift deed.</li> </ul>	<ul style="list-style-type: none"> <li>a) CCL shall identify lands around various cities across India and acquire them directly or indirectly.</li> <li>b) CCL obtain necessary statutory permissions for conversion of the lands into residential land use from the concerned authorities.</li> <li>c) CCL shall also arrange for making plans and drawings for residential layouts on the lands purchased and get the same approved from the local civic authorities</li> <li>d) CCL shall develop the layouts and provide various amenities like motorable roads, electricity and plantation of trees for common area</li> <li>e) CCL shall hold the inventory of plots in the above developed layouts and transfer the individual plots in favour of the CCIL or in favour of it's members as identified by the CCIL or in favour of any of it's nominees by collecting the additional amount towards registration, documentation, legal, consultation, basic development works like Plot Marking, Plot Numbering, Road Markings, Maintenance etc. as decided by both the parties by mutual consent.</li> </ul>