



COUNTRY CONDO'S LIMITED

(FORMERLY KNOWN AS NEOCURE THERAPEUTICS LIMITED)

2010-2011

24th ANNUAL REPORT



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COUNTRY CONDO'S LIMITED



BOARD OF DIRECTORS

1. Sri Y. Rajeev Reddy	-	Chairman & Managing Director
2. Sri Y. Siddharth Reddy	-	Joint Managing Director & CEO
3. Sri Y. Varun Reddy	-	Joint Managing Director & COO
4. Sri D. Krishna Kumar Raju	-	Vice Chairman & Executive Director
5. Sri P. V. V. Prasad	-	Director
6. Sri G. Venkateshwar Rao	-	Director
7. Sri S. Bal Reddy	-	Director
8. Sri A. VSB Laxmipathi Rao	-	Director
9. Sri VK Ramudu	-	Director

COMPANY SECRETARY

Sri J. Laxmikanth

BANKERS

Bank of India
AXIS Bank Ltd
State Bank of Mysore
Centurian Bank of Punjab

AUDITORS

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

REGISTERED OFFICE

8-2-703, Mahogany Complex,
Ground Floor, Amrutha Valley,
Road No.12, Banjara Hills,
Hyderabad – 500 034
Ph: 91-40-66360610
Email: info@countrycondos.co.in

SHARE TRANSFER AGENTS

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

LISTING AT

Bombay Stock Exchange Limited
National Stock Exchange of India Limited
Delhi Stock Exchange Limited



NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the members of Country Condo's Limited (formerly known as Neocure Therapeutics Limited) will be held on **Friday, the 30th day of September, 2011** at **03.00 P.M** at **Sri Agrasen Bhavan, # 149, Brig. Sayeed Road, Sappers Line, Secunderabad - 500 003** to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit & Loss Account for the financial year ended on 31st March, 2011 and the Balance Sheet as on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Sri Y. Varun Reddy, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri A. VSB Laxmipathi Rao, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sri VK Ramudu, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

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

RESOLVED THAT pursuant to Section 81(1A) and any other applicable Provisions of Companies Act, 1956, consent of the members be and is hereby accorded to issue and allot, in the course of international offerings in one or more foreign markets, in the form and/or name of Global Depository Receipts (GDR) or otherwise, equity shares and/or any securities convertible in to equity shares at the option of the Company and/or holder of the securities representing either Equity shares or convertible securities which upon conversion of all securities so issued or allotted, could give rise to the issue of Equity Shares of the Company (hereinafter referred to as "securities") subscribed in foreign currency (ies) to foreign investors (Whether institutions and/ or incorporated bodies and/or individuals or otherwise, and whether such investors are members of the Company or not), for an aggregate amount not exceeding **USD 200 million**.

RESOLVED FURTHER THAT the Company and/or agency or body authorized by the Company may issue Depository Receipts representing the underlying equity shares issued by the Company in register and bearer form with such features and attributes as are prevalent in international capital markets for instruments and this nature and to provide for the tradability or free transferability thereof as per the international practices and regulation, and under the forms and practices prevalent in the international markets.

RESOLVED FURTHER THAT the securities issued as above shall be deemed to have been made abroad in the market and/or at the place of issue of the securities in the international markets and shall be governed by the respective Law of Land and the Listing Agreement(s) to be entered into with the stock exchange(s) abroad and the shares being offered shall rank *pari passu* with the equity shares of the Company in all respects, expecting that right as to dividend shall be as may be provided under the terms of the issue and in the Offer document.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors (or any committee or directors authorized by the board in this regard) of the company be and is hereby severally authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem



necessary or expedient and to make necessary application or file the necessary forms required in this regard with the authorities and / or agencies concerned and to take such steps and actions and give such directions as it may in its absolute discretion deem necessary and to settle any question (s), difficulty or doubt that may arise in this regard without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution and to delegate all or any of the powers to any Director (s) or authorised person (s) to give effect to the above resolution.”

7. 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 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof for the time being in force), Reserve Bank of India, Securities and Exchanges Board of India and other regulatory authorities and subject to the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the stock exchanges where the shares of the Company are listed, and in accordance with the applicable guidelines/rules/regulations/notifications/circulars and clarifications thereon issued under the Banking Regulation Act, 1949, Foreign Exchange Management Act, 1999, Securities Contracts (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992, and all other applicable laws, issued from time to time, if any, and subject to all such statutory, regulatory and governmental approvals, permissions or sanctions including without limitation, the approval from the Reserve Bank of India as may be necessary and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any Committee thereof which the Board may have constituted or hereafter constitute, to exercise the powers including the powers conferred by this Resolution) consent, authority and approval of the Company be and is hereby accorded to the Board to offer, issue and allot up to **50,00,00,000 (Fifty Crores)** Equity shares in one or more tranches, by way of Qualified Institutions Placement (“QIP”) to Qualified Institutional Buyers (“QIB”) in terms of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations”) as amended from time to time, whether such investors are existing members of the Company or not, at a price not less than the price as determined in accordance with Clause 85 of SEBI ICDR Regulations and on such terms and conditions as may be deemed appropriate by the Board at its absolute discretion and wherever necessary in consultation with Lead Managers in accordance with the applicable laws, rules, regulations and guidelines prevailing in this regard.

RESOLVED FURTHER THAT the QIP shall be completed within 12 months from the date of approval of this resolution.

RESOLVED FURTHER THAT the relevant date for the purposes of determining the floor price of the Equity Shares shall be in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 from time to time.

RESOLVED FURTHER THAT the Equity Shares so issued shall rank pari passu with the existing equity shares of the Company in all respects.

RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint the lead managers, registrar, bankers, advisors and all such agencies as may be involved or concerned in such offerings of the Equity Shares and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such deeds, arrangements, agreements, memorandam, documents etc., with such agencies.

RESOLVED FURTHER THAT for the purpose of giving effect to the resolution above, the Board of Directors be and is hereby authorised to finalize and execute all documents, deeds and writings as may be necessary, which includes but not limited to preparing, executing and filing necessary applications / forms / returns /

COUNTRY CONDO'S LIMITED



documents to the Registrar of Companies, Stock Exchange(s), National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and / or such other statutory authorities as may be necessary from time to time and take such steps and actions and give such directions as it may in its absolute discretion deem necessary and to settle any question (s), difficulty or doubt that may arise in this regard without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution and to delegate all or any of the powers to any Director (s) or authorised person (s) to give effect to the above resolution.”

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

PLACE: HYDERABAD
DATE: 05-09-2011

LAXMIKANTH JAKHOTIA
COMPANY SECRETARY

NOTES

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- b) **PROXIES TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**
- c) The relevant explanatory statement in respect of the special business set out above, as required by Section 173(2) of the Companies Act, 1956 is annexed hereto.
- d) The Register of Members and Share Transfer Books of the Company will remain closed from 27-09-2011 to 30-09-2011 (both days inclusive).
- e) 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. Aarhi Consultants Private Limited, (Unit: Country Condo's Limited), 1-2-285, Domalguda, Hyderabad - 500 029, Andhra Pradesh, or to the Company at its Registered Office with their Folio Number(s).
- f) 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 representative to attend and vote on their behalf at the meeting.
- g) Pursuant to Clause 49 of the Listing Agreement, brief profile of the Directors appointed / Re-appointed is given as annexure at Page No. 6.

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

Item # 6: International Offering of Securities through GDR:

The members are aware that your Company is consistently adhering to provide best quality of services in its operating segments in spite of up and downs in the industry concerned and global economy as a whole. As informed above, in process of analysis of future plans and strategy to grow in multiple avenues, your Directors are contemplating to provide the present services across the border in the best possible option, mechanisms and combinations of result oriented designs more particularly in the best interest of the company. As a measure towards growth, your Company is planning to widen its arms to bring much more benefit to the Company and ultimately to the shareowners.

COUNTRY CONDO'S LIMITED



To implement the idea and to take advantage of its presence in overseas, your Company call for additional investments aggregating USD 200 millions from the investors out side India by way of issuing Global Depository Receipts (GDR) representing underlying equity shares of ₹1/- each in the Company with or without premium. The proposed issue is with in the parameters of the Foreign Direct investments (FDI) guidelines and sectoral limits specified therein by the Government of India.

Hence, the Board of the Directors seeks for your consent to give adequate flexibility and discretion in finalizing the terms of the issue in consultation with the Lead Managers and/or such other authorities as may be required in normal course of practice. The GDR's upon its issue will be listed on the stock exchanges in abroad.

In this connection, the Company has to comply with the provisions of Section 81 (1A) and other applicable provisions of the Companies Act, 1956, by passing a special resolution.

The Special Resolution as set out at the Item No. 6 of the Notice, if passed will have the effect of allowing the Board to issue and allot shares to the foreign entities/persons residing outside India on the terms and conditions as may be authorized to take all necessary steps for implementing the resolution.

Hence, your Directors recommend the aforesaid resolution in the best interest of the Company.

None of the Directors are concerned or interested either directly or indirectly in the proposed resolution.

Item # 7: Offering of Securities to Qualified Institutional Buyers:

The Company is proposing to issue Equity Shares to the Qualified Institutional Buyers to augment the resources and for this purpose seek your approval to the resolutions proposed. Accordingly, your Company proposes to make a further issue of shares by way of Qualified Institutions Placement ("QIP") in terms of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. The number of Equity Shares to be issued shall not exceed 50,00,00,000 Equity Shares of ₹1/- each ("Equity Shares"). These Equity Shares will be allotted only to Qualified Institutional Buyers in accordance with the SEBI (ICDR) Regulations, 2009.

As per Clause 85 of Chapter VIII of the SEBI (ICDR) Regulations, 2009, issue of Equity shares, on QIP basis, can be made at a price not less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on a stock exchange during the two weeks preceding the "Relevant Date".

The "Relevant Date" means the date of the meeting in which the Board of the Company or the Committee of Directors duly authorised by the Board of the Company decides to open the proposed issue.

The exact price, proportion, timing and terms of the issue of Equity Shares under the QIP will be decided by the Board based on the analysis of specific requirements in consultation with the merchant bankers to the QIP in accordance with the SEBI (ICDR) Regulations, 2009 and other applicable Regulations / guidelines issued by any statutory authority (ies).

In accordance with the SEBI (ICDR) Regulations, 2009, special resolution of the shareholders in accordance with Section 81 (1A) of the Companies Act, 1956 is required for a QIP issue. The allotment of equity shares will be made within a period of twelve months from the date of passing of the aforesaid Special Resolution in the present AGM excluding the time taken in obtaining the necessary approvals, if any, or within such further period as may be prescribed or allowed by the SEBI, stock exchange(s) or other concerned authorities.

Accordingly, the consent of the shareholders is being sought, pursuant to the provisions of Section 81 (1A) and other applicable provisions of the Companies Act, 1956, and SEBI (ICDR) Regulations, 2009 and in terms of the provisions of the Listing Agreements, to issue and allot equity shares as stated in the Special Resolution.

The proposed QIP issue is in the interest of the Company and the shareholders and the Directors recommends the passing of the resolution under this item as a special resolution.

COUNTRY CONDO'S LIMITED



None of the Directors of the Company is interested or concerned in any manner in the proposal contained in this resolution under this item.

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

PLACE: HYDERABAD
DATE: 05-09-2011

LAXMIKANTH JAKHOTIA
COMPANY SECRETARY

ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

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

Name	Y. VARUN REDDY
Age	26 years
Qualifications	BA in Economics from University of Rutgers, New Jersey
Experience	Experience in Marketing and Corporate Communication.
Other Directorships	10

Name	A. VSB Laxmipathi Rao
Age	55 years
Qualifications	Under Graduate
Experience	Experience in General Construction activities.
Other Directorships	NIL

Name	VK Ramudu
Age	56 years
Qualifications	Under Graduate
Experience	Experience in Real Estate Construction & Contracts.
Other Directorships	NIL

COUNTRY CONDO'S LIMITED



DIRECTORS' REPORT

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

The Directors have pleasure in presenting the 24th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Year ended 31.03.2011 (12 Months)	Year ended 31.03.2010 (12 Months)
Turnover	359.35	117.07
Profit / (Loss)	37.65	32.46
Balance brought forward	4.64	(18.16)
Balance carried forward	29.58	4.64

FINANCIAL PERFORMANCE OF THE COMPANY

The Board is happy to inform that the development of the Company's real estate and construction activities are grown and has achieved a Turnover of ₹359.35 Lakhs comparing Last years ₹117.07 Lakhs only and has achieved a Profit of ₹37.65 Lakhs as against the Profit of ₹32.46 Lakhs for the previous year which includes a lease rent income of ₹28.44 Lakhs which has been occurred after successful amalgamation of M/s. Country Club Bangalore Limited with the Company.

During this year the Company had a Net Profit of ₹24.93 Lakhs. The entire Profits of the Company had been transferred to General Reserves to strengthen the Reserves of the Company. Currently The accumulated P&L Account Surplus is ₹29.58 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 Hotel & Hospitality, Entertainment, etc.,

SHARE CAPITAL

The Paid-up Share Capital of the Company stands at ₹7,75,97,300/- (Rupees Seven Crores Seventy Five Lakhs Ninety Seven Thousand Three Hundred Only) as on 31st March, 2011.

FORFEITURE OF 1,70,00,000 WARRANTS ISSEUD TO PROMOTERS

Your Company has forfeited 1,70,00,000 convertible share warrants of ₹10.64/- each on 24th February, 2011 which has been issued to Promoters of the Company on 24th August, 2009. As the said warrants was required to be converted

COUNTRY CONDO'S LIMITED



into fully paid up equity shares within 18 months from the date of issue and was not Converted with in due date, henceforth forfeited. As the said promoters and promoter group has failed to exercise the warrants, they shall be ineligible for issue of equity shares or convertible securities or warrants for a period of one year i.e., till 24th February, 2012 from the date of cancellation of the warrants (i.e., 24th February, 2011).

ADDITIONAL INFORMATION AS REQUIRED U/S 217(1)(e) OF THE COMPANIES ACT, 1956

- (a) Conservation of Energy: The Company is monitoring the consumption of energy and is identifying measures for conservation of energy.
- (b) (i) Technology Absorption, adaptation and innovation:- No technology either indigenous or Foreign is involved.
(ii) Research and Development (R & D): No research and Development has been carried out.
- (c) Foreign exchange earnings : NIL
Foreign exchange out go: NIL

PARTICULARS OF EMPLOYEES

In pursuance of the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, the Directors are to report that no employee was in receipt of remuneration of ₹60,00,000/- or more per annum or ₹5,00,000/- or more per month where employed for a part of the year.

BOARD OF DIRECTORS

During the FY 2010-11, there was a change in the constitution of the Board of Directors.

Sri Y. Varun Reddy, Sri A. VSB Laxmipathi Rao and Sri VK Ramudu, retires by rotation at the ensuing 24th Annual General Meeting and being eligible offer themselves for re-appointment.

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.

STATUTORY AUDITORS

M/s. P. Murali & Co., Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

M/s. P. Murali & Co., Chartered Accountants have furnished a certificate of their eligibility u/s 224(1B) of the Companies Act, 1956. The Board recommended to the members to re-appoint the auditors and authorize the Board of Directors of the Company to fix their remuneration.

DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956 Your Directors confirm that:

- i) in the preparation of the Annual Accounts ending 31-03-2011, the applicable accounting standards had been followed along with proper explanation relating to material departures;

COUNTRY CONDO'S LIMITED



- ii) the Directors had 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 at the end of the financial year and of the Profit of the Company for that period;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors had prepared the annual accounts on a going concern basis.

STATEMENT PURSUANT TO LISTING AGREEMENT

The Company's Equity shares are listed at

1. Bombay Stock Exchange Limited, Mumbai.
2. National Stock Exchange of India Limited, Mumbai.
3. Delhi Stock Exchange Limited, New Delhi.

The Company has paid the Annual Listing Fees to the above Stock Exchanges.

CORPORATE GOVERNANCE

In order to bring more transparency in the conduct of business, the Stock Exchanges have amended the listing agreement incorporating the code of corporate governance to listed companies. Your Company has always been committed to the best practices in the governance of its affairs. Your Company had taken steps and complied with most of the recommendations during the year. For the year under review, the Compliance Report is provided in the Corporate Governance section in this Report. The Auditors' Certificate on compliance with the mandatory requirements of Corporate Governance is given in "Annexure "A" to this Report."

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

A detailed section on "Management Discussion and Analysis" (MDA), Pursuant to Clause 49 of the Listing Agreement forms part of this Annual Report.

A. INDUSTRY BACKGROUND

With the increasing Government thrust on creation / development of infrastructure facilities in the country, the opportunity in the Sector has grown tremendously. Several new projects are being planned and many are already under execution. Besides, the Government regulations have become liberal and various measures are being taken to promote private participation in the infrastructure sector. With the introduction of projects on BOT / BOOT / BOLT has made investments in this sector more feasible and financially lucrative. Also with the changes in trends and policies of the both central and state governments with massive spending on infrastructure development and encouraging private participation in infra segment has further opened avenues.

COUNTRY CONDO'S LIMITED



B. FUTURE OUTLOOK

As mentioned above, further outlook will be encouraging and the company is trying to seize every opportunity in its sphere. Further the Company plans to expand its activities in the areas of Hotel and Hospitality Sector, Entertainment, travel, event management, etc.

C. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Internal control systems are aimed at promoting operational efficiencies while stressing Adherence to policies. The systems are designed with adequate internal controls commensurate with size and nature of operations.

The Company's management ensures that all assets are safeguarded and protected against loss from unauthorized use or disposition. Considerable emphases are being laid on the effective implementation of internal control systems and thus reduce the costs and increase the efficiency.

Further, the Audit Committee reviews the systems and suggests remedial actions wherever necessary.

D. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS:

The personnel employed by your Company are qualified, and have necessary skills to perform their respective jobs. Further, your Company provides continuous learning and personality development opportunities to its personnel. The Company has cordial relations with its employees.

E. ANALYSIS OF FINANCEIAL PARAMETERS

FINANCIAL PERFORMANCE

Our Company has shown the growth with Turnover up from ₹117.07 Lakhs to ₹359.35 Lakhs, increasing by a strong 67.42% increase (Strongly 3 times to the last year). Our EBIT in the Financial Year 2010-11 is ₹37.65 Lakhs as against ₹32.46 Lakhs for the Previous Financial Year 2009-10 increased by a steady margin. Our goal is to increase our EBIT margin in the long run though we are prepared to sacrifice margins on the short run in exchange for more rapid growth. Our aggressive acquisition & Construction of Real Estates strategy has given us rich dividends. We continue to strive to give our members great value proposition good facilities, toe tapping entertainment and memories that will last a life time.

CAUTIONARY STATEMENT

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

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 cooperation for the performance and growth of business during the year.

COUNTRY CONDO'S LIMITED



ACKNOWLEDGEMENTS

Your Directors thank the Company's customers, vendors, investors, business associates, bankers and other agencies for their support to the Company.

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.

Finally your Directors record their deep sense of gratitude to all the shareholders for the abundant confidence reposed in the Board of Directors.

for and on behalf of the Board
for COUNTRY CONDO'S LIMITED

PLACE : HYDERABAD

DATE : 05-09-2011

Y. Rajeev Reddy
Chairman & Managing Director

Y. Siddharth Reddy
Joint Managing Director & CEO



ANNEXURE – “A” TO DIRECTORS REPORT- CORPORATE GOVERNANCE
(Pursuant to Clause 49 of the Listing Agreement)

1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company believes that strong corporate governance is indispensable for healthy business growth and to be resilient in a vibrant capital market and is an important instrument of investor protection. The Companies activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices. It is firmly believed that good governance practices would ensure efficient conduct of the affairs of the Company and help the Company achieve its goal of maximizing value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a truly Construction based Company, the Company stands by transparency in all its dealings and strict regulatory compliance.

The Company is in compliance with the requirements of the revised guidelines on corporate governance stipulated under clause 49 of the Listing Agreements with the Stock Exchanges. With the adoption of whistle blower policy the Company has moved further in its pursuit of excellence in corporate governance.

2. BOARD OF DIRECTORS:

- a) The Company has 9 Directors with an Executive Chairman & Managing Director. Out of 9 Directors, 5 are Non-Executive and Independent Directors. The composition of the Board is in conformity with clause 49 of the Listing Agreements entered into with the Stock Exchanges and meets the stipulated requirements.
- b) 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 is a Director. The Directors have made necessary disclosures regarding Committee positions in other public companies as on 31st March, 2011.
- c) 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, directorships of private limited companies, section 25 companies and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit, Shareholders / Investors Grievance & Remuneration Committees.
- d) 7 Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

29th April, 2010, 16th July, 2010, 30th July, 2010, 4th September, 2010, 30th October, 2010, 29th January, 2011 and 18th March, 2011.

Name of the Director	Category	No. of Other Directorships	No. of Committee in which Member	No. of Board Meetings attended	Whether attended last AGM
Y. Rajeev Reddy	Chairman & Managing Director	14	Nil	7	Yes
Y. Siddharth Reddy	Joint Managing Director & CEO	14	Nil	5	Yes
Y. Varun Reddy	Joint Managing Director & COO	10	Nil	5	Yes

COUNTRY CONDO'S LIMITED



D. Krishna Kumar Raju	Vice – Chairman & Executive Director	7	1	7	Yes
P. V. V. Prasad	Independent Non-Executive	Nil	Nil	7	Yes
G. Venkateshwar Rao	Independent Non-Executive	Nil	Nil	7	Yes
S. Bal Reddy	Independent Non-Executive	Nil	Nil	7	Yes
A. VSB Laxmipathi Rao	Independent Non-Executive	Nil	Nil	4	Yes
VK Ramudu	Independent Non-Executive	Nil	Nil	3	Yes

- e) None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
- f) During the year, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for its consideration.

3. AUDIT COMMITTEE:

- I). The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.
- II) The terms of reference of the Audit Committee include a review of;
- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
 - Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
 - Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
 - Reviewing with management the annual financial statements before submission to the Board, focusing on:
 - Any changes in accounting policies and practices;
 - Qualification in draft audit report;
 - Significant adjustments arising out of audit;
 - The going concern concept;
 - Compliance with accounting standards;
 - Compliance with stock exchange and legal requirements concerning financial statements;
 - Any related party transactions
 - Reviewing the Company's financial and risk management's policies.
 - Disclosure of contingent liabilities.
 - Reviewing with management, external and internal auditors, the adequacy of internal control systems.
 - Reviewing the adequacy of internal audit function, including the audit character, 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.
 - Discussion with internal auditors of any significant findings and follow-up thereon.
 - Reviewing the findings of any internal investigations by the internal auditors into the 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.

COUNTRY CONDO'S LIMITED



- I. Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 - m. Reviewing compliances as regards the Company's Whistle Blower Policy.
- III) The previous Annual General Meeting of the Company was held on 29th September, 2010 and Mr. P. V. V. Prasad, Chairman of the Audit Committee, attended previous AGM.
- IV) The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

Name of the Director	Category	Designation	No. of Meetings ATTENDED (During the year 2010-11)	No. of Meetings HELD (During the year 2010-11)
Sri. P. V. V. Prasad	Independent, Non-Executive	Chairman	4	4
G. Venkateshwar Rao	Independent, Non-Executive	Member	4	4
S. Bal Reddy	Independent, Non-Executive	Member	4	4

- V) Four Audit Committee meetings were held during the year. The dates on which the said meetings were held are as follows: April 29, 2010, July 30, 2010, October 30, 2010, and January 29, 2011.

The necessary quorum was present at all the meetings. The meetings of the Audit Committee are attended by the Head of Finance and Statutory Auditor as Invitee. The Un-audited Financial Results for each quarter were approved by the Audit Committee before being passed on to the Board of Directors for Approval & Adoption.

4. REMUNERATION COMMITTEE

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

However, the remuneration of the 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 Remuneration Committee for the year was constituted of the following members:**

Name of the Member	Category	Designation
Sri. P. V. V. Prasad	Independent, Non-Executive	Chairman
G. Venkateshwar Rao	Independent, Non-Executive	Member
S. Bal Reddy	Independent, Non-Executive	Member

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

1. To fix the remuneration packages of Executive Directors i.e., Managing Directors and Whole-time Directors, etc.,
2. To decide on the elements of remuneration package of all the Directors i.e., Salary, Benefits, Bonus, Stock Options, Pensions, etc.,

COUNTRY CONDO'S LIMITED



- b) During the year, there was no meeting of the members of the Remuneration Committee, as the no remuneration was paid to the Director's which is same as of the Previous Year.

REMUNERATION OF DIRECTORS:

None of the Directors has drawn any remuneration or sitting fees during the financial year.

5. SHARE HOLDERS / INVESTORS GRIEVANCE COMMITTEE:

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

The Committee consists of the following Independent & Non Executive Directors:

Name of the Director	Category	Designation
G. Venkateshwar Rao	Independent, Non-Executive	Chairman
S. Bal Reddy	Independent, Non-Executive	Member
Sri. P. V. V. Prasad	Independent, Non-Executive	Member

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

The total No. of Complaints received and resolved during the year 2010-2011 was 6.

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. Aarthi Consultants Private Limited.

There were No outstanding complaints as on 31st March, 2011.

6. DETAILS OF GENERAL BODY MEETINGS: Location and time of the last 3 Years GM's:

GM & YEAR	VENUE	DATE & TIME	SPECIAL RESOLUTIONS PASSED
23 rd AGM 2009-2010	Sri Agrasen Bhavan # 149, Brig. Sayeed Road, Sappers Line, Secunderabad -500 003	29-09-2010 11.30 A.M	2 Special Resolutions were passed: 1. For International Offering of Securities through Global Depository Receipt up to USD 200 Million. 2. For Offering of Securities to Qualified Institutional Buyers upto 50 Crores Equity Shares.
Court Convened EGM 2009-2010	Sri Agrasen Bhavan # 149, Brig. Sayeed Road, Sappers Line, Secunderabad -500 003	20-03-2010 11.30 A.M	1 Special Resolutions were passed: 1. For obtaining the consent of the Members pursuant to the Scheme of Amalgamation of M/s. Country Club Bangalore Limited with the Company (i.e., M/s. Country Condo's Limited)
22 nd AGM 2008-2009	Sri Agrasen Bhavan # 149, Brig. Sayeed Road, Sappers Line, Secunderabad -500 003	10-08-2009 02.00 P.M	8 Special Resolutions were passed: 1) For Appointment of Sri Y. Rajeev Reddy on the Board as Chairman & Managing Director. 2) For Appointment of Sri Y. Siddharth Reddy on the Board as Joint Managing Director & Chief Executive Officer.

COUNTRY CONDO'S LIMITED



			<p>3) For Appointment of Sri Y. Varun Reddy on the Board as Joint Managing Director & Chief Operating Officer.</p> <p>4) For Increase of Authorized Share Capital of the Company.</p> <p>5) For Issue of 1.70 Crores Warrants on preferential basis to Promoters.</p> <p>6) For International Offering of Securities through Global Depository Receipt up to USD 20 Million.</p> <p>7) For Offering of Securities to Qualified Institutional Buyers.</p> <p>8) For re-designating Sri D. Krishna Kumar Raju as Vice Chairman & Executive Director of the Company.</p>
21 st AGM 2007-2008	Sri Vasavi Arya Vysya Sangam, Kattedan Hyderabad - 500 077	29-09-2008 12.00 Noon	No special resolution passed.

No Special Resolution was passed through Postal Ballot during the year i.e., 2010-11

No Special Resolution is proposed to be passed through Postal Ballot for the forthcoming 24th AGM.

7. DISCLOSURES

A. Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the directors or the management's, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. The transaction with the related parties is mentioned under Point No. 10 of Notes forming part of Accounts in the Annual Report of the Company. None of the transaction with the related parties is in conflict with the interest of the Company

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

None

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

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

8. 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.

9. MEANS OF COMMUNICATIONS:

As per the Clause 41 of the Listing requirements, the Company's Quarterly, Half-yearly and Annual Results are published in Business Standard in English and Andhra Prabha in Telugu Newspapers. The Annual Report and other communication are sent to the shareholders through Post and all future communications to shareholders would be sent in electronic form to their respective e-mail address registered with the Depository Participant.

COUNTRY CONDO'S LIMITED



Your Company has responded the Green Initiative taken by the Ministry of Corporate Affairs for saving our Environment.

As per listing requirements, the Un-audited Financial Results on quarterly basis and Statement of Assets and Liabilities on Half-yearly basis and the Audited Annual Results of the Company on yearly basis are also displayed on the Company's Website: www.countrycondos.co.in The website also displays the Shareholding Pattern of the Company as required under Clause 35 of the Listing Agreement on a quarterly basis and Corporate Governance Report as required under Clause 49 of the Listing Agreement on a quarterly basis.

10. MANAGEMENT DISCUSSIONS AND ANALYSIS

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

Statement pursuant to Clause 38 of the Listing Agreement:

The Company's Equity Shares are currently listed on Bombay Stock Exchange Limited (BSE), National Stock Exchange of (India) Limited (NSE) and Delhi Stock Exchange Limited (DSE) and the Company has paid the Annual Listing Fees of all the Stock Exchanges where its Shares are listed and Annual Custodian Fees to Depositories for the Financial Year 2010-2011.

11. GENERAL SHARE HOLDER INFORMATION:

(I) Annual General Meeting	
Date	30 th September, 2011
Time	03.00 P.M
Venue	Sri Agrasen Bhavan, # 149, Brig. Sayeed Road, Sappers Line, Secunderabad - 500 003
(II) Financial Calendar 1 st April, 2011 to 31 st March, 2012	
And the Adoption of Quarterly Financial Results will be as follows:	
Quarter ending June 30, 2011	12 th August, 2011
Quarter ending September 30, 2011	Second Week of November, 2011
Quarter ending December 31, 2011	Second Week of February, 2012
Quarter ending March 31, 2012	Second Week of May, 2012
Annual General Meeting for FY ended 31 st March, 2012	Before the end of September, 2012
(III) Date of Book Closure	27 th September, 2011 to 30 th September, 2011 (both days inclusive)
(IV) Dividend payment date	If, declared will be paid within the stipulated time as per the Act.
(V) Listing on Stock Exchanges	1. Bombay Stock Exchange Limited (BSE) 2. National Stock Exchange of India Limited (NSE) 3. Delhi Stock Exchange Limited (DSE)
(VI) Stock Details	Scrip Code Scrip ID
Bombay Stock Exchange Ltd	531624 COUNCODOS
National Stock Exchange of India Limited	NEOCURE
Delhi Stock Exchange Limited	-Not yet Allotted-
Dematerialization of Securities	ISIN: INE 695 B01025

COUNTRY CONDO'S LIMITED



Month	Bombay Stock Exchange Limited		National Stock Exchange of India Limited		Delhi Stock Exchange Limited	
	High ₹	Low ₹	High ₹	Low ₹	High ₹	Low ₹
April, 2010	5.04	4.02	5.00	4.10	---	---
May, 2010	4.84	3.12	4.70	3.00	---	---
June, 2010	4.45	3.35	4.30	3.20	---	---
July, 2010	4.50	3.43	5.00	3.45	---	---
August, 2010	5.20	3.66	5.15	3.45	---	---
September, 2010	4.40	3.50	4.30	3.50	---	---
October, 2010	4.43	3.40	4.20	3.00	---	---
November, 2010	5.70	3.00	5.70	3.30	---	---
December, 2010	6.28	3.86	6.50	3.80	---	---
January, 2011	4.45	3.62	4.40	3.55	---	---
February, 2011	4.00	3.10	3.75	2.85	---	---
March, 2011	3.59	2.46	3.40	2.55	---	---

(VII) Market Price Data: High, Low during each Month in last Financial Year

During the financial year the shares of the Company were traded only on M/s. National Stock Exchange of India Limited (NSE) & M/s. Bombay Stock Exchange Limited (BSE). Hence the Market Price data monthly High and Low can be provided as per the quote on the NSE & BSE as under:

(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.aarthicconsultants.com
Email: info@aarthicconsultants.com

(X) Share Transfer System Documents will be accepted at:

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

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.

The Shares of the Company are in physical form and electronic form. As regards, transfer of shares held in physical form, the transfer documents can be lodged with M/s. Aarathi Consultants Private Limited at above-mentioned address. The R & T Agent process the Physical Share Transfers and the Share Certificates are returned to the Shareholder with in a maximum period of 30 days from the date of receipt, subject to the documents being valid and complete in all

COUNTRY CONDO'S LIMITED



respects. All share transfers are approved by the Share Transfer Committee. As regards, the transfer of shares in demat form is done through the Depositories without involvement of the Company.

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.

As per the guidelines issued by the Securities and Exchange Board of India, the R & T Agent is also offering transfer-cum-Demat facility, wherein after the share transfer is affected an option letter containing the details of the shares transferred is sent to the transferee. Any transferee who wishes to demat the shares may approach the Depository Participant along with a duly filled Demat Request Form, who shall, on the basis of the option letter, generate a demat request and send the same to the R & T Agent. On receipt, the R & T Agent confirms the request.

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 30 days from the date of the option letter.

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), with in 15 days of receipt.

(XI) Distribution of Shareholding as on 31-03-2011

Share Holding of Nominal Value	Share Holders		Share Amount			
	₹	₹	Numbers	% of Total	In ₹	% of Total
(1)			(2)	(3)	(4)	(5)
Upto 5,000			7701	86.25	9631181	12.41
5,001 10,000			709	7.94	5083221	6.55
10,001 20,000			275	3.08	3878443	5.00
20,001 30,000			104	1.16	2701062	3.48
30,001 40,000			23	0.26	818598	1.05
40,001 50,000			22	0.25	983246	1.27
50,001 1,00,000			46	0.52	3299471	4.25
1,00,001 and above			49	0.55	51202078	65.98
TOTAL			8929	100.00%	77597300	100.00 %

COUNTRY CONDO'S LIMITED



(XII) According to the categories of Shareholding as on 31-03-2011

	CATEGORY	No. of Shares held	%of shareholding
(A)	Shareholding of Promoter and Promoter Group:		
(1)	Indian		
a.	Individuals/Hindu Undivided Family	35420912	45.65
b.	Central Government/State Government	---	---
c.	Bodies Corporate	---	---
d.	Financial Institutions / Banks	---	---
	Others:	---	---
e.	Mutual funds	---	---
f.	Trusts	---	---
	Sub-Total (A)(1)	35420912	45.65
(2)	Foreign		
a.	Individuals (Non- Residents Individuals / Foreign Individuals)	---	---
b.	Bodies Corporate	---	---
c.	Institutions	---	---
	Others:	---	---
d.	Overseas Corporate Bodies	---	---
	Sub-Total (A)(2)	000	000
	Total Shareholding of Promoter and Promoter Group A = (A)(1)+ (A)(2)	35420912	45.65
(B)	Public Shareholding		
(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	---	---
g.	Foreign Venture Capital Investors	---	---
	Others:	---	---
h.	Foreign Companies	---	---
	Sub-Total (B)(1)	000	000
(2)	Non- Institutions		
a.	Bodies Corporate	3708170	4.78
b.	Individuals		
	i). Individual Shareholders holding Nominal Share Capital upto Rs. 1 Lakh	23134055	29.81
	ii). Individual Shareholders holding Nominal Share Capital in excess of Rs. 1 Lakh	14007418	18.05
	Others:		
c.	Non- Residents Individuals	1314777	1.69
d.	Overseas Corporate Bodies	---	---
e.	Trusts	---	---
f.	Employees	---	---
g.	Clearing Members	11968	0.02
	Sub-Total (B)(2)	42176388	54.35
	Total Public Shareholding B = (B)(1) + (B)(2)	42176388	54.35
	TOTAL (A+B)	77597300	100.00
(C)	Shares held by Custodians and against Depositories Receipts have been issued	---	---
	GRAND TOTAL (A+B+C)	77597300	100.00

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).

(XIV) Share Dematerialization Records:

6,98,77,803 Shares representing 90.05% of the Company's total equity share capital were held in dematerialized form of which 74.99% was held in National Securities Depository Limited (NSDL) and 15.06% was held in Central Depository Services (India) Limited (CDSL) as on 31st March, 2011.

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 the Company has not issued GDR's / ADR's / Warrants / FCCB's or any other Convertible Instruments.

** During the year the Company has forfeited the amount received during the allotment of 1,70,00,000 Warrants, due to non receipt of the balance 75% amount from the warrant holders.

(XVI) Reconciliation of Share Capital Audit:

M/s. P. Murali & Co., Chartered Accountants 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:

8-2-703, Mahogany Complex,
Ground Floor, Amrutha Valley, Road No.12,
Banjara Hills, Hyderabad – 500 034
Ph: 040-66360610 Fax: 040-66833954
Email: info@countrycondos.co.in
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, 4 th Floor, Kamala Mills Compound Senapati Bapat Marg, Lower Parel Mumbai – 400 013 Tel : 091-022-24972964-70 Fax : 091-022-24972993-24976351 Email : info@nsdl.co.in	M/s. Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers 28 th Floor, Dalal Street Mumbai – 400 023 Tel : 091-022-22723333 Fax : 091-022-22723199 Email : investors@cdslindia.com
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COUNTRY CONDO'S LIMITED



(XX) Nomination Facility:

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under section 109A of the Companies Act, 1956 are requested to submit the prescribed Form 2B to the Company for this purpose.

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

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, 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 Jakhota, 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.

BY ORDER OF THE BOARD OF DIRECTORS
for COUNTRY CONDO'S LIMITED

PLACE: HYDERABAD
DATE : 05-09-2011

Y. RAJEEV REDDY
CHAIRMAN & MANAGING DIRECTOR

Y. SIDDHARTH REDDY
JOINT MANAGING DIRECTOR & CEO



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

I, Y. Siddharth Reddy, Joint Managing Director & CEO of Country Condo's Limited hereby declare that all the Board members and senior managerial personnel have affirmed for the year ended 31st March, 2011 compliance with the code of conduct of the Company laid down for them.

Y. Siddharth Reddy
Joint Managing Director & CEO

Place : Hyderabad
Date : 05.09.2011

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

I, Y. Siddharth Reddy, Joint Managing Director & CEO of Country Condo's Limited certify:

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2011 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 of an employee having a significant role in the Company's internal control system.

Y. Siddharth Reddy
Joint Managing Director & CEO

Place : Hyderabad
Date : 05.09.2011



COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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

We have reviewed the records concerning the Company's compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement into by the Company with the Stock Exchanges for the financial year ended on 31st March, 2011.

The compliance of the conditions of corporate governance is the responsibility of the management. Our review was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us the examination and the information and explanations given to us by the Company.

Based on such a review, and to the best of our information and according to the explanation given to us, in our opinion, the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the Listing Agreement with the Stock exchanges.

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

For P. MURALI & CO.,
CHARTERED ACCOUNTANTS

PLACE : HYDERABAD
Date : 05-09-2011

P. MURALI MOHANA RAO
PARTNER

AUDITORS' REPORT

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

We have audited the attached Balance Sheet of COUNTRY CONDO'S LIMITED as at 31st March, 2011 and also the Profit & Loss Account for the year ended on the date annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our Audit ;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books ;
- (iii) The Balance Sheet & Profit & Loss Account dealt with by this report are in agreement with the books of account ;
- (iv) In our opinion, the Balance Sheet & Profit & Loss Account dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of Section 211 of Companies Act, 1956 ;
- (v) On the basis of written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March , 2011 from being appointed Director in terms of clause(g) of sub-section(1) of section 274 of the Companies Act,1956
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India ;
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (b) In the case of the Profit & Loss Account, of the Profit for the year ended on that date;

And

- (c) In the case of the Cash Flow, of the cash flows for the year ended on that date ;

For P.MURALI & CO.,
CHARTERED ACCOUNTANTS
FRN: 007257S

P.MURALI MOHANA RAO
PARTNER
Membership No. 23412

PLACE : HYDERABAD
DATE : 05-09-2011

ANNEXURE TO THE AUDITORS' REPORT

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) All the assets have been physically verified by the management at during the year but there is a regular programme of verification which, in our opinion, is reasonable with regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed off substantial part of the Fixed Assets during the year.
- II. The Company does not have inventory and hence this clause is not applicable.
- III. (a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956.
- (b) As the Company has not granted any loans, the clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under section 301 is prejudicial to the interest of company, is not applicable.
- (c) As no loans are granted by company, the clause of receipt of interest & principal amount from parties, is not applicable to the company.
- (d) No loans have been granted to Companies, Firms & other parties listed in the register U/s.301 of the Companies Act, 1956, hence overdue amount of more than rupees one lac does not arise and the clause is not applicable.
- (e) The Company has not taken loans, unsecured from Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956.
- (f) As the Company has not taken any loans, the clause of whether the rate of interest & other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 is prejudicial to the interest of company, is not applicable.
- (g) As no loans are taken by the company, the clause of repayment of interest & principal amount to parties, is not applicable to the company.
- IV. In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and for sale of goods and services. There is no continuing failure by the company to correct any major weaknesses in internal control.
- V. (a) In our opinion and according to the information and explanation given to us, since no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made by the company in respect of any party in the financial year, the entry in the register U/s.301 of the Companies Act, 1956 does not arise.
- (b) According to the information and explanations given to us, as no such contracts or arrangements made by the company, the applicability of the clause of charging the reasonable price having regard to the prevailing market prices at the relevant time does not arise.

COUNTRY CONDO'S LIMITED



- VI.** The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A,58AA or any other relevant provisions of the Act and the rules framed there under does not arise. As per information and explanations given to us the order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not been received by the Company.
- VII.** In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.
- VIII.** In respect of the Company, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section(1) of section 209 of the Companies Act, 1956.
- IX.** a) The Company is regular in depositing statutory dues including PF, ESI, Income Tax, Cess and any other statutory dues with the appropriate authorities and at the last of the financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable.
- b) According to the information and explanations given to us, no undisputed amounts are payable in respect of PF, ESI, Income Tax, Cess and any other statutory dues as at the end of the period, for a period more than six months from the date they became payable.
- X.** The Company has been registered for a period of not less than 5 years, and it has no accumulated losses at the end of the financial year and the company has not incurred cash losses in this financial year and in the immediately preceding financial year.
- XI.** According to information and explanations given to us, the Company has not taken any loans from Banks or Financial Institutions. Hence this clause of repayment of dues to financial Institutions or banks or debenture holders and the defaulted payment therein is not applicable to the Company.
- XII.** According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII.** This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/Societies.
- XIV.** According to the information and explanations given to us, the company is not dealing or trading in shares, securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- XV.** According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company does not arise.
- XVI.** According to the information and explanations given to us, the company has not obtained any Term Loans, hence this clause is not applicable.
- XVII.** According to the information and explanations given to us, no funds are raised by the Company on short-term basis. Hence the clause of short term funds being used for long-term investment does not arise.
- XVIII.** According to the information and explanations given to us, the Company has not made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.

COUNTRY CONDO'S LIMITED



- XIX.** According to the information and explanations given to us, the company does not have any debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.
- XX.** According to information and explanations given to us, the company has not raised money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by Public Issue is not applicable.
- XXI.** According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

For P.MURALI & CO.,
CHARTERED ACCOUNTANTS
FRN: 007257S

PLACE : HYDERABAD
DATE : 05-09-2011

P.MURALI MOHANA RAO
PARTNER
Membership No. 23412

COUNTRY CONDO'S LIMITED



COUNTRY CONDO'S LIMITED			
BALANCE SHEET AS AT 31st MARCH, 2011			
PARTICULARS	SCHEDULE NO'S	AS AT 31-03-2011 ₹	AS AT 31-03-2010 ₹
I SOURCES OF FUNDS			
1. SHAREHOLDERS FUNDS			
a. Capital	1	77,597,300	77,597,300
b. Equity Share Warrants	2	-	45,220,000
c. Reserves & Surplus	3	75,875,984	28,162,511
2. LOAN FUNDS			
a. Unsecured Loans		14,000,000	14,000,000
3. DEFERRED INCOME TAX LIABILITY			
		18,383,128	18,354,534
TOTAL		185,856,412	183,334,345
II APPLICATION OF FUNDS			
1. FIXED ASSETS			
a. Gross Block	4	128,888,495	128,790,826
b. Less Depreciation		52,531,873	52,460,537
c. Net Block		76,356,622	76,330,289
2. CURRENT ASSETS, LOANS & ADVANCES			
a. Work-in-progress		167,807,578	127,770,141
b. Cash & Bank Balance	5	8,394,229	7,314,181
c. Loans & Advances	6	445,430,441	477,519,792
Less: Current Liabilities & Provisions	7	512,596,458	505,600,058
NET CURRENT ASSETS		109,035,790	107,004,056
3. MISCELLANEOUS EXPENDITURE			
(to the extent not written off or adjusted)		464,000	-
4. PROFIT & LOSS ACCOUNT			
	8	-	-
TOTAL		185,856,412	183,334,345
NOTES TO ACCOUNTS			
		10	
AS PER OUR REPORT OF EVEN DATE for P. MURALI & CO. , CHARTERED ACCOUNTANTS		FOR AND ON BEHALF OF THE BOARD For COUNTRY CONDO'S LIMITED	
P.MURALI MOHANA RAO PARTNER	Y.RAJEEV REDDY CHAIRMAN & MANAGING DIRECTOR	Y.SIDDHARTH REDDY JOINT MANAGING DIRECTOR & CEO	
PLACE: HYDERABAD DATE : 05.09.2011		LAXMIKANTH JAKHOTIA COMPANY SECRETARY	

COUNTRY CONDO'S LIMITED



COUNTRY CONDO'S LIMITED			
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011			
PARTICULARS	SCHEDULE NO'S	ENDING 31-03-2011 ₹	ENDING 31-03-2010 ₹
1 INCOME			
Sales / Income from Operations		35,935,004	11,707,096
Lease Rents		2,844,000	1,422,000
Closing Work-in-Progress		167,807,578	127,770,141
TOTAL		206,586,582	140,899,237
2 EXPENDITURE			
Opening Work-in-Progress		127,770,141	88,241,303
Land Development Charges		46,367,410	23,489,701
Administrative Expenses	9	28,450,472	25,843,144
Depreciation		117,464	79,528
Misc.Expenditure W/o		116,000	-
TOTAL		202,821,487	137,653,676
3 PROFIT / (LOSS) BEFORE TAX		3,765,095	3,245,561
4 PROVISION FOR TAXES		1,243,028	935,200
5 DEFERRED INCOME TAX (LIABILITY) / ASSET		(28,594)	(30,211)
6 PROFIT / (LOSS) AFTER TAX		2,493,473	2,280,150
7 BALANCE BROUGHT FORWARD PROFIT/(LOSS)		464,541	(1,815,609)
8 BALANCE CARRIED FORWARD		2,958,014	464,541
EARNINGS PER SHARE		0.03	0.05
NOTES TO ACCOUNTS	10		
AS PER OUR REPORT OF EVEN DATE for P. MURALI & CO., CHARTERED ACCOUNTANTS		FOR AND ON BEHALF OF THE BOARD For COUNTRY CONDO'S LIMITED	
P.MURALI MOHANA RAO PARTNER	Y.RAJEEV REDDY CHAIRMAN & MANAGING DIRECTOR	Y.SIDDHARTH REDDY JOINT MANAGING DIRECTOR & CEO	
PLACE: HYDERABAD DATE : 05.09.2011		LAXMIKANTH JAKHOTIA COMPANY SECRETARY	

COUNTRY CONDO'S LIMITED



COUNTRY CONDO'S LIMITED		
SCHEDULE 1		
SHARE CAPITAL		
PARTICULARS	AS AT 31.03.2011 ₹	AS AT 31.03.2010 ₹
AUTHORISED:		
350,000,000 Equity Shares of Rs.1/-Each	<u>350,000,000</u>	<u>350,000,000</u>
ISSUED, SUBSCRIBED & PAID-UP:		
77,597,300 Shares of Rs.1/-Each	77,597,300	77,597,300
Sub-Total	<u>77,597,300</u>	<u>77,597,300</u>
SCHEDULE 2		
SHARE WARRANTS		
PARTICULARS	AS AT 31.03.2011 ₹	AS AT 31.03.2010 ₹
Share Warrants	45,220,000	45,220,000
Less : Transfer to Reserves & surplus due to forfeiture	(45,220,000)	-
Sub-Total	<u>-</u>	<u>45,220,000</u>
SCHEDULE 3		
RESERVES & SURPLUS		
PARTICULARS	AS AT 31.03.2011 ₹	AS AT 31.03.2010 ₹
Capital Reserves	22,982,670	22,982,670
Share Premium	4,715,300	37,113,500
Less: bonus issue at 2:1 adjusted	-	(32,398,200)
Add : Forfeiture of Share Warrants Advance	45,220,000	-
Surplus in Profit & Loss Account	2,958,014	464,541
Sub-Total	<u>75,875,984</u>	<u>28,162,511</u>
SCHEDULE 5		
CASH & BANK BALANCES		
PARTICULARS	AS AT 31.03.2011 ₹	AS AT 31.03.2010 ₹
Cash in hand	3,300,392	3,058,744
Balances with Banks	5,093,837	4,255,437
Sub-Total	<u>8,394,229</u>	<u>7,314,181</u>
SCHEDULE 6		
LOANS & ADVANCES		
PARTICULARS	AS AT 31.03.2011 ₹	AS AT 31.03.2010 ₹
Loans & Advances	444,147,441	476,236,792
Deposits	1,283,000	1,283,000
Sub-Total	<u>445,430,441</u>	<u>477,519,792</u>

COUNTRY CONDO'S LIMITED



SCHEDULE - 4
FIXED ASSETS
COUNTRY CONDO'S LIMITED
Depreciation Schedule

S L M

Particulars	Gross Block as on 01.04.2010	Additions during the year	Del/adj during the year	Gross Block as at 31.03.2011	Depreciation upto 31.03.2010	Depreciation during the year	Del/adj during the year	Total Depreciation 31.03.2011	Net Block as at 31.03.2011	Net Block as at 31.03.2010
Plant & Machinery	105,172,017	-	-	105,172,017	49,736,409	-	-	49,736,409	55,435,608	55,435,608
Blocks	597,574	-	-	597,574	408,219	-	-	408,219	189,355	189,355
Cylinders	918,456	-	-	918,456	623,488	-	-	623,488	294,968	294,968
Art Work	330,528	-	-	330,528	225,950	-	-	225,950	104,576	104,576
Misc. fixed Assets	1,132,760	-	-	1,132,760	750,629	-	-	750,629	382,131	382,131
Land	18,923,296	-	-	18,923,296	-	-	-	-	18,923,296	18,923,296
Furniture & Fixtures	752,041	39,197	-	791,238	545,054	8,275	-	553,329	237,909	206,987
Air Conditioner	96,000	23,500	-	119,500	5,314	5,548	-	10,862	108,638	90,686
Mobiles	100,233	31,700	-	131,933	4,104	5,884	-	9,988	121,945	96,129
Fax Machine	12,064	-	-	12,064	2,443	573	-	3,016	9,048	9,621
Office Equipment	34,200	8,400	-	42,600	181	2,002	-	2,183	40,416	34,019
Xerox Machine	68,640	-	-	68,640	1,626	3,260	-	4,886	63,754	67,014
Vehicles	133,024	-	46,128	86,896	61,261	8,255	46,128	23,388	63,508	71,783
Motor Cycle	44,125	-	-	44,125	2,504	4,192	-	6,696	37,429	41,621
Computers	267,720	-	-	267,720	66,653	43,397	-	110,050	157,670	201,067
UPS	149,100	-	-	149,100	12,883	24,169	-	37,052	112,048	136,217
Printers	48,050	15,200	-	63,250	12,372	9,632	-	22,004	41,246	35,678
Scanner	11,000	25,800	-	36,800	1,447	2,276	-	3,723	33,077	9,553
Total	128,790,826	143,797	46,128	128,888,495	52,460,537	117,464	46,128	52,531,873	76,356,622	76,330,289

COUNTRY CONDO'S LIMITED



SCHEDULE 7		
CURRENT LIABILITIES & PROVISIONS		
PARTICULARS	AS AT 31.03.2011 ₹	AS AT 31.03.2010 ₹
Sundry Creditors	7,326,641	5,877,951
Advances received	119,093,619	138,625,477
Registration & Development Charges	379,949,159	353,915,438
Outstanding Expenses & Provisions	4,984,011	6,245,992
Provision for Income Tax	1,243,028	935,200
Sub-Total	512,596,458	505,600,058
SCHEDULE 8		
PROFIT AND LOSS ACCOUNT		
PARTICULARS	AS AT 31.03.2011 ₹	AS AT 31.03.2010 ₹
Balance brought forward profit / (loss)	-	(1,815,609)
Share Capital Reduction (as per High Court order)	-	-
Balance from Profit & Loss	-	-
Less: Amount Transferred to Schedule 3	-	1,815,609
Sub-Total	-	-
SCHEDULE 9		
ADMINISTRATIVE EXPENSES		
PARTICULARS	YEAR ENDED 31.03.2011 ₹	YEAR ENDED 31.03.2010 ₹
Staff Cost	17,996,326	15,141,056
Advertisement Charges	113,723	125,820
Travelling & Conveyance	1,943,778	1,507,634
Telephone Expenses	718,119	364,069
Postage & Telegrams	82,902	93,967
Electricity Charges	318,047	100,658
General Expenses	132,104	50,000
Maintenance Exp.	811,452	1,052,178
Rent	1,739,200	630,361
Rates & Taxes	525,590	10,545
ROC & Filing Fee	12,558	660,875
Audit Fee	82,725	82,725
Share Transfer Fee	448,529	309,723
NSE & BSE Fee	132,324	601,194
Bank Charges	283,668	439,317
Consultancy charges	2,345,684	4,016,995
Printing & Stationery	573,461	601,172
Books & Periodicals	27,235	35,221
Business Promotion	17,381	8,521
Other Administrative Expenses	145,666	11,113
Sub-Total	28,450,472	25,843,144

SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION:

The financial statements have been prepared to comply in all material respects with the accounting standards notified by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956 ('the Act'). The financial statements have been prepared under historical cost convention on an accrual basis in accordance with accounting principles generally accepted in India. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles require the management to make estimates and assumptions that affect the reported amounts of Assets and Liabilities and disclosure of Contingent Liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Significant estimates used by the management in the preparation of these financial statements include estimates of the economic useful life of Fixed Assets and provisions for bad and doubtful debts. Any revision to accounting estimates is recognized prospectively.

(a) Accounting Convention and Revenue Recognition – AS 9:

The Financial Statements have been prepared on a going concern basis in accordance with historical cost convention. The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

- a) "Revenue is the gross inflow of cash, receivables or other consideration arising in the course of the ordinary activities of an enterprise from the sale of goods, from the rendering of services, and from the use by others of enterprise resources yielding interest, royalties and dividends. Revenue is measured by the charges made to customers or clients for goods supplied and services rendered to them and by the charges and rewards arising from the use of resources by them. In an agency relationship, the revenue is the amount of commission and not the gross inflow of cash, receivables or other consideration.
- b) Completed service contract method is a method 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.
- c) 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.

(b) Cash Flow Statement: AS-3

The Company has prepared Cash Flow Statement as per the **AS-3**.

(c) Retirements Benefits:

Company makes monthly contribution to the Employees Provident Fund and Pension Fund under the provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952.

(d) Fixed Assets:

Fixed Assets are stated at cost of acquisition and subsequent improvements thereto, inclusive of taxes, freight and other incidental expenses related to acquisition, improvements and installation.

COUNTRY CONDO'S LIMITED



(e) Depreciation:

Depreciation on Fixed Assets is provided on straight-line method as per the rates specified in Schedule XIV of the Companies Act, 1956. This is in accordance with the **AS-6** and there is no change in the method of Depreciation during the year.

(f) Inventories:

Inventories are valued at Cost or Market price whichever is lower.

(g) Taxes on Income:

- a) Provision for tax for the year comprises current Income Tax and Deferred Tax and is provided as per the Income Tax Act, 1961.
- b) The provision made for income tax in the accounts comprises both the current and deferred tax. Current tax is provided for on the taxable income for the year. The deferred tax assets and liabilities for the year arising on account of timing differences (net) are recognized in the Profit and Loss account and the cumulative effect thereof is reflected in the Balance Sheet.

(h) Provisions:

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- a) The Company has a present obligation as a result of a past event;

(i) Earnings per Share:

The earnings considered in ascertaining the Earning per Share comprise of Net Profit after Tax. The number of shares used in computing Basic Earnings per Share is the Weighted Average number of shares outstanding during the year, as per **AS-20**.

(j) Related Party Disclosures :

The Company as required by **AS-18** furnishes the details of Related Party Disclosures in Schedule 10.

SCHEDULE 10

NOTES FORMING PART OF ACCOUNTS

1. Share warrants forfeited due to non conversion within 18 months from the date of issue i.e. on or before 23rd February, 2011. Therefore the amount of ₹4,52,20,000/- forfeited in share warrants amount transferred to Reserves & Surplus as on 24th February, 2011.
2. The company has issued bonus shares of 4,85,97,300 @ ₹1/- each on 08.09.09 out of securities premium account.
3. A Scheme of Amalgamation of M/s Country Club Bangalore Limited with M/s Country Condo's Limited has been approved by the Honorable High Court of Andhra Pradesh dated 29th April, 2010 vide CP No.61 & 62 of 2010 and obtained certified copy of the order dated 15th June, 2010. The Swap ratio for allotment of shares is 5:29 i.e. for every 5 shares of Country Club Bangalore Limited 29 shares of Country Condo's Limited is recommended fair for appointed date 1st October, 2009. Accordingly 2,90,00,000 shares @ ₹1/- amounting to ₹2,90,00,000 is included under subscribed & paid up capital of the Company.
4. **Deferred Tax Assets & Liabilities:**
In accordance with Accounting standard 22 (As 22) issued by the ICAI, the Company has accounted for deferred income tax liability ₹28,594/- for current year (Previous year ₹30,211/-)
5. Amalgamation Expenses incurred during the Current year are amortised over a period of 5 years
6. Particulars of Employees in accordance with Sub-section (2A) of Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule 1975. **NIL**
7. Detailed information regarding quantitative particulars under part II of Schedule VI to the Companies Act, 1956. Quantitative details are not furnished as the company is in the activity of Real estate and Construction. Closing WIP is 1678.07 (₹ in Lakhs) for current year (Previous year 1277.00 (₹ in Lakhs)).
8. Depreciation has not been provided on old assets in the Fixed Assets Schedule as they belong to the earlier business, which are not put in use for current business
9. **Segment Reporting:**

Since the Company is Operating in only one segment-Real Estates & Construction, hence segment reporting as required under Accounting Standard – 17 is not practicable.
10. **Related Party Disclosure:**

Particulars of related parties:

Name of the Related Party	Nature of Transaction during the year
Country Club (India) Limited	Lease Rent of ₹28,44,000 received
Amrutha Estates & Hospitality Private Limited	Commission Income of ₹15,58,050 received

COUNTRY CONDO'S LIMITED



11. Details of Auditors Remuneration:

Sl. No.	Nature of Fees	Amount of Remuneration 2010 - 11 (₹)	Amount of Remuneration 2009 - 10 (₹)
1	Statutory Audit Fee	55,150	55,150
2.	Tax Audit Fee	27,575	27,575
	TOTAL	82,725	82,725

12. Directors Remuneration during the year - NIL

13. **Employee benefits:** Provision for Gratuity, Leave Encashment hat not been provided for as per AS – 15, on the basis of Actuarial Valuation

14. Earnings Per Share:

Particulars	2010 – 11	2009 – 10
Net profit after tax (₹)	24,93,473.00	22,80,150.00
Weighted Average Numbers of shares	7,75,97,300.00	4,89,35,075.00
Basic EPS (₹)	0.03	0.05

15. Closing Balances of Debtors / Creditors / Loans & Advances are subject to confirmation from the parties.

16. Previous year's numbers have been regrouped, rearranged, recasted, wherever necessary to conform to Current Year Classification.

17. The numbers have been rounded off to the nearest rupee.

SIGNATURES TO SCHEDULES 1 To 10

AS PER OUR REPORT OF EVEN DATE
For P. MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER

FOR AND ON BEHALF OF THE BOARD
For COUNTRY CONDO'S LIMITE

Y. RAJEEV REDDY
CHAIRMAN & MANAGING DIRECTOR

Y. SIDDHARTH REDDY
JOINT MANAGING DIRECTOR & CEO

LAXMIKANTH JAKHOTIA
COMPANY SECRETARY

PLACE : HYDERABAD,
DATE : 05.09.2011



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COUNTRY CONDO'S LIMITED



COUNTRY CONDO'S LIMITED

8-2-703, Mahogany Complex, Ground Floor, Amrutha Valley,
Road No.12, Banjara Hills, Hyderabad – 500 034

PROXY FORM

I/We of
..... being a member/
members of the above named Company hereby appoint of
..... as my/our proxy to vote for me/us on my/our
behalf at the 24th Annual General Meeting of the Company to be held on Friday, the 30th September, 2011 at 03.30 P.M
at Sri Agrasen Bhavan, # 149, Brig. Sayeed Road, Sappers Line, Secunderabad - 500 003 and at any adjournment
thereof.

Signed this..... day of _____ 2011.

Affix
0.15 paise
Revenue
Stamp

- NOTE: a) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself.
- b) Proxy need not be a member.
- c) The proxy form duly completed should be deposited at the registered office of the Company not less than 48 hours before the time fixed for holding the meeting.

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COUNTRY CONDO'S LIMITED

8-2-703, Mahogany Complex, Ground Floor, Amrutha Valley,
Road No.12, Banjara Hills, Hyderabad – 500 034

ATTENDANCE SLIP

(Please present this slip at the entrance of the meeting venue)

Regd. Folio Shares held

DP ID..... Client ID.....

I hereby record my presence at the 24th Annual General Meeting of the Company to be held on Friday, the 30th September, 2011 at 03.00 P.M at Sri Agrasen Bhavan, # 149, Brig. Sayeed Road, Sappers Line, Secunderabad - 500 003.

Name of the Shareholder :

Name of the Proxy :

Signature of member/proxy :

Note:

- 1) To be signed at the time of handing over this slip.
- 2) Members are requested to register their names at least 15 minutes prior to the commencement of the meeting.

PRINTED MATTER

BOOK POST

If undelivered please return to:

COUNTRY CONDO'S LIMITED

8-2-703, Mahogany Complex
Ground Floor, Amrutha Valley,
Road No. 12, Banjara Hills
Hyderabad – 500 034