

COUNTRY CONDO'S LIMITED

(FORMERLY KNOWN AS NEOCURE THERAPEUTICS LIMITED)

2007-2008

21ST ANNUAL REPORT

COUNTRY CONDO'S LIMITED

BOARD OF DIRECTORS

| | |
|----------------------------|-------------------|
| Sri. D. Krishna Kumar Raju | Chairman |
| Sri. D. Sree Rama Raju | Managing Director |
| Sri. P. V. V. Prasad | Director |
| Sri. Ch. Srinivas | Director |
| Sri. P. Krupavaram | Director |

COMPANY SECRETARY

Sri. Md. Osman Akthar

BANKERS

The Karnataka Bank Limited
Manasa Bank Ltd
Bank of India
AXIS Bank Ltd
State Bank of Mysore

AUDITORS

M/s. P. Murali & Co.,
Chartered Accountants
6-3-655/2/3,
Somajiguda,
Hyderabad – 500 082
Phone: 23326666

REGISTERED OFFICE

8-2-703, Mahogany Complex,
Ground Floor, Amrutha Valley,
Road No.12, Banjara Hills,
Hyderabad – 500 034
Ph: 040-64541609
Email: countrycondos@gmail.com

SHARE TRANSFER AGENTS

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

LISTING AT

Bombay Stock Exchange Limited
National Stock Exchange of India Limited

COUNTRY CONDO'S LIMITED

NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the members of M/s. Country Condo's Limited (formerly known as Neocure Therapeutics Limited) will be held on Monday, the 29th day of September, 2008 at 12.00 Noon at Sri Vasavi Arya Vysya Sangam, Kattedan, Hyderabad – 500 077 to consider the following Business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and the Profit and Loss Account for the year ended as on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Sri. P. Krupavaram, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri. Ch. Srinivas, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

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

PLACE: HYDERABAD
DATE: 04-09-2008

**D. KRISHNA KUMAR RAJU
CHAIRMAN**

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.**
- b) **PROXIES TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**
- c) The register of members and share transfer books of the Company will remain closed from 25-09-2008 to 29-09-2008 (both days inclusive)
- d) Members holding shares in physical form are requested to notify/send any change in their address to the Company's share transfer agents, Aarthi 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.
- e) 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. The Copy of the board resolution authorizing the representative of corporate member must be attached along with the postal ballot form.
- f) Pursuant to Clause 49 of the Listing Agreement, brief profile of the Directors Re-appointed is given below:

COUNTRY CONDO'S LIMITED

ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

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

| | |
|---------------------|--|
| Name | P. Krupavaram |
| Age | 46 years |
| Qualifications | Graduate |
| Experience | 20 years of vast experience in Real Estate Construction & Development, Marketing, at pharmaceutical Industry etc., |
| Other Directorships | NIL |

| | |
|---------------------|---|
| Name | CH. SRINIVAS |
| Age | 46 years |
| Qualifications | Graduate |
| Experience | 19 years Vast experience in the Real Estates and Building & Construction Industry |
| 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 21st Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS

(Rs. Lakhs)

| Particulars | Year ended 31.03.2008 (9 months) | Year ended 30.06.2007 (15 months) |
|-------------------------|-------------------------------------|--------------------------------------|
| Turnover | 76.77 | 31.00 |
| Profit / (Loss) | (25.48) | (315.66) |
| Balance brought forward | (1468.99) | (1190.88) |
| Balance carried forward | (1489.13) | (1468.99) |

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 Rs.76.77 Lakhs comparing Last years 31.00 Lakhs only.

The Company was incurring losses from several years and its accumulated loss is Rs.148,913,147. 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 and services in the present un-remunerative market conditions with the help of present undertaking. Hence, the Board, after due discussions and deliberation, decided that the unit was having least contribution to present line of business due to heavy losses, cost of material and stiff competition in the filed.

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

- (a) Conservation of Energy: The activities of the Company are not energy intensive. However, the Company is taking all measures to conserve the 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.
- (b) 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 Rs.24,00,000/- or more per annum or Rs.2,00,000/- or more per month where employed for a part of the year.

COUNTRY CONDO'S LIMITED

BOARD OF DIRECTORS

During the year, there is no change in the constitution of the Board of Directors.

Sri. P. Krupavaram and Sri. Ch Srinivas, retires by rotation at the ensuing 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.

REDUCTION OF CAPITAL

As you are aware that the Company had obtained the approval of the members at the 20th Annual General Meeting held on 29th September, 2007 for reduction of capital. In this regard the necessary in principles approvals are obtained from the National Stock Exchange of India Limited, Mumbai and Bombay Stock Exchange Limited, Mumbai. Further the Company had filed a petition with the Hon'ble High Court of Andhra Pradesh, Hyderabad and it is in the progress and the final order will be expected soon.

REVOCATION OF SUSPENSION OF TRADING AT BSE

Your Directors pleased to inform that the Bombay Stock Exchange Limited, Mumbai has resumed the trading in securities of the Company vide its letter dated 11th July, 2008 enabling the members to deal in the securities.

FINANCIAL YEAR

The company has closed its financial year for 9 months ended 31st March, 2008. The previous financial year consists of 15 months ended on 30th June, 2007.

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 ended 31-03-2008, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 Loss 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 Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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- iv) the Directors had prepared the annual accounts for the financial year ended 31st March, 2008 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.

The Company has paid the Annual Listing Fees to the above Stock Exchanges upto financial year 2008 - 2009.

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:

Pursuant to Clause 49 of the Listing Agreement, a Management Analysis Report is given below:

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 promoter 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.

B. FUTURE OUT LOOK

As mentioned above, further outlook will be encouraging and the company is trying to cease every opportunity in its sphere. Further the Company plans to expand its activities in the areas of 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.

COUNTRY CONDO'S LIMITED

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.

PERSONNEL

The relations between the management and the staff were very cordial throughout this year. Your Directors take this opportunity to record their appreciation for the Co-Operation and loyal services rendered by the employees.

ACKNOWLEDGEMENTS

The 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.

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

PLACE : HYDERABAD
DATE : 04-09-2008

D. Krishna Kumar Raju
Chairman

D. Sree Rama Raju
Managing Director

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 5 Directors with an Non-Executive Chairman and a Managing Director. Out of 5 Directors, 3 Directors (i.e. more than 50%) 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, 2008.
- 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 at (d). 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 and Shareholders / Investors Grievance Committees.
- d) 6 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:
30th July, 2007, 27th August, 2007, 9th October, 2007, 29th October, 2007, 4th January, 2008 and 30th January, 2008.

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| Name of the Director | Category | No. of Other Directorships | No. of Committee in which Member | No. of Board Meetings attended | Whether attended last AGM |
|----------------------------|---------------------------|----------------------------|----------------------------------|--------------------------------|---------------------------|
| Sri. D. Krishna Kumar Raju | Chairman | 3(1)* | 2 | 6 | Yes |
| Sri. D. Sree Rama Raju | Managing Director | 1(1)* | 1 | 6 | Yes |
| Sri. P. V. V. Prasad | Independent Non-Executive | Nil | 2 | 6 | Yes |
| Sri. P. Krupavaram | Independent Non-Executive | Nil | 2 | 6 | Yes |
| Sri. Ch. Srinivas | Independent Non-Executive | Nil | 2 | 6 | Yes |

* The information provided in the (1) represents the Directorship in the Listed Companies.

- 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;
 - a. 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.
 - b. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
 - c. 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.
 - d. Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
 - e. Reviewing with management the annual financial statements before submission to the Board, focusing on:
 - i Any changes in accounting policies and practices;
 - ii Qualification in draft audit report;
 - iii Significant adjustments arising out of audit;
 - iv The going concern concept;
 - v Compliance with accounting standards;
 - vi Compliance with stock exchange and legal requirements concerning financial statements;
 - vii Any related party transactions

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- f. Reviewing the Company's financial and risk management's policies.
 - g. Disclosure of contingent liabilities.
 - h. Reviewing with management, external and internal auditors, the adequacy of internal control systems.
 - i. 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.
 - j. Discussion with internal auditors of any significant findings and follow-up thereon.
 - k. 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.
 - l. 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, 2007 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 2007-08) | No. of Meetings HELD (During the year 2007-08) |
|----------------------|----------------------------|-------------|--|--|
| Sri. P. V. V. Prasad | Independent, Non-Executive | Chairman | 3 | 3 |
| Sri. Ch. Srinivas | Independent, Non-Executive | Member | 3 | 3 |
| Sri. P. Krupavaram | Independent, Non-Executive | Member | 3 | 3 |

- V) Three Audit Committee meetings were held during the year. The dates on which the said meetings were held are as follows: July 30, 2007, October 29, 2007, and January 30, 2008
- The necessary quorum was present at all the meetings.

4. REMUNERATION COMMITTEE

The Company does not have a "Remuneration Committee". Your Directors recommended that all such items that may be required to be discussed at a Meeting of the "Remuneration Committee" could be considered at a Meeting of the Board of Directors.

5. REMUNERATION OF DIRECTORS:

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

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6. 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 | No. of Meetings ATTENDED (During the year 2007-08) | No. of Meetings HELD (During the year 2007-08) |
|----------------------|----------------------------|-------------|--|--|
| Sri. P. Krupavaram | Independent, Non-Executive | Chairman | 3 | 3 |
| Sri P.V.V. Prasad | Independent, Non-Executive | Member | 3 | 3 |
| Sri. Ch. Srinivas | Independent, Non-Executive | Member | 3 | 3 |

Mr. Md. Osman Akthar, Company Secretary is the Compliance Officer.

The total No. of Complaints received and resolved during the year were: 29.

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.

The outstanding complaints as on 31st March, 2008 were: NIL

7. DETAILS OF ANNUAL GENERAL MEETINGS: Location and time of the last Three AGMs.

| AGM | YEAR | VENUE | DATE | TIME |
|------------------|-----------|---|------------|------------|
| 20 th | 2006-2007 | Sri Vasavi Arya Vysya Sangam, Kattedan, Hyderabad - 500 077 | 29-09-2007 | 10.00.a.m. |
| 19 th | 2005-2006 | G-4/3, SEIE, Kattedan, Hyderabad - 500 077 | 29-09-2006 | 10.00.a.m. |
| 18 th | 2004-2005 | G-4/3, SEIE, Kattedan, Hyderabad - 500 077 | 30-09-2005 | 10.00.a.m. |

Passing the Resolutions through postal ballot during the year:

During the year no business item was transacted and adopted through postal ballot.

8. 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.

None

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

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9. NOTES ON DIRECTORS APPOINTMENT/RE-APPOINTMENT:

Relevant details forms part of the explanatory statement to the notice of the Annual General Meeting/Director's Report.

10. MEANS OF COMMUNICATIONS:

As per the listing requirements, the Company publishes periodical financial results in leading English and regional newspapers information.

11. MANAGEMENT DISCUSSIONS AND ANALYSIS

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

12. GENERAL SHARE HOLDER INFORMATION:

| | | |
|--|---|-----------------|
| (I) Annual General Meeting | | |
| Date | 29 th September, 2008 | |
| Time | 12.00 Noon | |
| Venue | Sri Vasavi Arya Vysya Sangam, Kattedan, Hyderabad – 500 077. | |
| (ii) Financial Calendar 1 st April, 2008 to 31 st March, 2009 | | |
| And the Financial Reporting will be as follows: | | |
| Quarter ending June 30 2008 | 30 th July, 08 | |
| Quarter ending September 30 2008 | Last week of October, 08 | |
| Quarter ending December 31 2008 | Last week of January, 09 | |
| Quarter ending March 31 2009 | Last week of April, 09 | |
| Annual General Meeting for FY ended 31 st March, 2009 | Before end of September, 2009 | |
| (III) Date of Book Closure | 25 th September, 2008 to 29 th September, 2008 | |
| (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) | |
| (VI) Stock Details | Scrip Code | Scrip ID |
| Bombay Stock Exchange Ltd | 531624 | COUNCODOS |
| National Stock Exchange of India Limited | NEOCURTHER | |
| ISIN | INE 695 B01017 | |
| (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 National Stock Exchange of India Limited (NSE) Hence the Market Price data monthly High and Low can be provided as per the quote on the NSE as under: | |

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| Month | Bombay Stock Exchange Limited | | The National Stock Exchange of India Limited | |
|-----------------|-------------------------------|-----------|--|-----------|
| | High (Rs.) | Low (Rs.) | High (Rs.) | Low (Rs.) |
| July, 2007 | --- | --- | 9.60 | 7.50 |
| August, 2007 | --- | --- | 14.95 | 7.80 |
| September, 2007 | --- | --- | 14.45 | 9.80 |
| October, 2007 | --- | --- | 11.85 | 8.35 |
| November, 2007 | --- | --- | 11.20 | 8.70 |
| December, 2007 | --- | --- | 23.75 | 9.45 |
| January, 2008 | --- | --- | 31.80 | 18.15 |
| February, 2008 | --- | --- | 21.40 | 15.85 |
| March, 2008 | --- | --- | 22.85 | 14.90 |

(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.aarthiconsultants.com
Email: info@aarthiconsultants.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.aarthiconsultants.com
Email: info@aarthiconsultants.com

The Shares of the Company are in physical form and electronic form. The transfer of shares in demat form is done through the Depositories without involvement of the Company. 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 Transfer of shares in physical form is normally processed within 10-12 days from the date of receipt if the documents are complete in all respects. The Share Transfer Committee severally empowers to approve the transfers.

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(XI) (a) Distribution of Shareholding as on 31-03-2008

| Share Holding of Nominal Value | | Share Holders | | Share Amount | |
|--------------------------------|-----|---------------|----------------|------------------|-----------------|
| Rs. | Rs. | Numbers | % of Total | In Rs. | % of Total |
| (1) | (2) | (2) | (3) | (4) | (5) |
| Upto 5,000 | | 5176 | 57.59 | 14029530 | 8.66 |
| 5,001 10,000 | | 1587 | 17.66 | 14400550 | 8.89 |
| 10,001 20,000 | | 890 | 9.90 | 14271230 | 8.81 |
| 20,001 30,000 | | 555 | 6.17 | 14391420 | 8.88 |
| 30,001 40,000 | | 148 | 1.65 | 5479390 | 3.38 |
| 40,001 50,000 | | 251 | 2.79 | 11960630 | 7.38 |
| 50,001 1,00,000 | | 214 | 2.38 | 16682680 | 10.30 |
| 1,00,001 and above | | 167 | 1.86 | 70775570 | 43.69 |
| TOTAL | | 8988 | 100.00% | 161991000 | 100.00 % |

(XI) (b) According to the categories of Shareholding as on 31-03-2008

| CATEGORY | No. of Shares held | % of shareholding |
|---|--------------------|-------------------|
| (A) Shareholding of Promoter and Promoter Group: | | |
| (1) Indian | | |
| a. Individuals/Hindu Undivided Family | 1132882 | 7.00 |
| b. Central Government/State Government | --- | --- |
| c. Bodies Corporate | --- | --- |
| d. Financial Institutions / Banks | --- | --- |
| Others: | --- | --- |
| e. Mutual funds | --- | --- |
| f. Trusts | --- | --- |
| Sub-Total (A)(1) | 1132882 | 7.00 |
| (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) | 1132882 | 7.00 |

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| (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 |
| (2) | Non- Institutions | |
| a. | Bodies Corporate | 1811276 |
| b. | Individuals | |
| | i). Individual Shareholders holding Nominal Share Capital upto Rs. 1 Lakh | 8158652 |
| | ii). Individual Shareholders holding Nominal Share Capital in excess of Rs. 1 Lakh | 4514895 |
| | Others: | |
| c. | Non- Residents Individuals | 526353 |
| d. | Overseas Corporate Bodies | --- |
| e. | Trusts | --- |
| f. | Employees | --- |
| g. | Clearing Members | 55042 |
| | Sub-Total (B)(2) | 15066218 |
| | Total Public Shareholding B = (B)(1) + (B)(2) | 15066218 |
| | TOTAL (A+B) | 16199100 |
| (C) | Shares held by Custodians and against Depositories Receipts have been issued | 000 |
| | GRAND TOTAL (A+B+C) | 16199100 |

(XII) Dematerialization of shares & liquidity

The Company's shares are compulsory traded in dematerialized form and are available for trading on both the Depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Company representing 70.34% of the Company's share capital are dematerialized as on 31st March, 2008.

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

COUNTRY CONDO'S LIMITED

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is: **INE 695 B01017**

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

The Company has not issued any GDRs./ADRs/ Warrants or any convertible instruments.

(XIV) Plant Locations

Not Applicable

(XV) Address for Correspondence:

Company Secretary
M/s. Country Condo's Limited
8-2-703, Mahogany Complex,
Ground Floor, Amrutha Valley,
Road No.12, Banjara Hills,
Hyderabad – 500 034
Ph: 040-64541609
Fax: 040-66833954
Email: countrycondos@gmail.com

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

PLACE : HYDERABAD
DATE : 04-09-2008

D. KRISHNA KUMAR RAJU
CHAIRMAN

D.SREE RAMA RAJU
MANAGING DIRECTOR

COUNTRY CONDO'S LIMITED

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

I, D. Sree Rama Raju, Managing Director of M/s. Country Condo's Limited hereby declare that all the Board members and senior managerial personnel have affirmed for the year ended 31st March, 2008 compliance with the code of conduct of the Company laid down for them.
For Country Condo's Limited

Place : Hyderabad
Date : 04.09.2008

D. Sree Rama Raju,
Managing Director

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

I, D. Sree Rama Raju, Managing Director of M/s. Country Condo's Limited certify:

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2008 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:
 - 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.

For Country Condo's Limited

PLACE : HYDERABAD
DATE : 04-09-2008

D.SREE RAMA RAJU
MANAGING DIRECTOR

COUNTRY CONDO'S LIMITED

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, 2008.

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 of 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 : 04-09-2008

P. MURALI MOHANA RAO
PARTNER.

COUNTRY CONDO'S LIMITED

AUDITORS' REPORT

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

We have audited the attached Balance Sheet of M/s. COUNTRY CONDO'S LIMITED as at 31st March, 2008 and also the Profit & Loss Account for the period ended on the date annexed thereto and the cash flow statement for the period ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial 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 (Auditor's Report) order 2003 and as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of the sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

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

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our Audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- (iii) The Balance Sheet & Profit & 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, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 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, 2008;
 - (b) In the case of the Profit & Loss Account, of the Loss for the period ended on that date ;

And

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

For P. MURALI & CO.,
CHARTERED ACCOUNTANTS

Place : Hyderabad
Date : 04.09.2008

P. Murali Mohana Rao
Partner

ANNEXURE TO THE AUDITORS' REPORT

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) All the assets have not been physically verified by the management 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. (a) The Inventory has been physically verified during the year and in our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of the physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- The Company is maintaining proper records of inventory and as explained to us, no material discrepancies were noticed on physical verification of stocks as compared to book records.
- III. (a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other Parties covered in the register maintained 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 any loans, secured or 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 inventory and fixed assets and for sale of goods and services. There is no continuing failure by the company to correct any major weaknesses in internal control.
- V. (a) In our opinion and according to the information and explanation given to us, since no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have

COUNTRY CONDO'S LIMITED

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.

- 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 P.F. ESI, Income Tax, Sales 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, Sales 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 its accumulated losses at the end of the financial year is more than fifty percent of its net worth and the company has not incurred cash losses in this financial year but has incurred cash loses 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 hene 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 respectof 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.

COUNTRY CONDO'S LIMITED

- 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.
- 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

Place : Hyderabad

Date : 04.09.2008

P. Murali Mohana Rao

Partner

COUNTRY CONDO'S LIMITED

| COUNTRY CONDO'S LIMITED | | | |
|---|------------------|---|--|
| BALANCE SHEET AS AT 31ST MARCH, 2008 | | | |
| PARTICULARS | SCHEDULE NO'S | AS AT 31-03-2008 (Rupees) | AS AT 30-06-2007 (Rupees) |
| I. SOURCES OF FUNDS | | | |
| 1. SHARE HOLDERS FUNDS | | | |
| a. Capital | 1 | 161,991,000 | 161,991,000 |
| b. Reserves & Surplus | | 37,113,500 | 37,113,500 |
| 2. LOAN FUNDS | | | |
| a. Secured Loans | | — | — |
| b. Unsecured Loans | | 17,585,000 | 17,610,000 |
| 3. DEFERRED INCOME TAX LIABILITY | | | |
| | | 18,995,400 | 19,530,204 |
| TOTAL | | <u>235,684,900</u> | <u>236,244,704</u> |
| II. APPLICATION OF FUNDS | | | |
| 1. FIXED ASSETS | | | |
| a. Gross Block | 2 | 109,029,096 | 108,845,305 |
| Less Depreciation | | 47,151,668 | 43,260,756 |
| b. Net Block | | 61,877,428 | 65,584,549 |
| 2. CURRENT ASSETS, LOANS & ADVANCES | | | |
| a. Closing Work-in-procss | | 13,374,447 | 598,430 |
| b. Loans & Advances | 3 | 39,417,164 | 22,422,839 |
| c. Cash & Bank Balance | 4 | 7,507,627 | 2,782,408 |
| Less : Current Liabilities & Provisions | 5 | 35,404,913 | 2,043,107 |
| NET CURRENT ASSETS | | 24,894,325 | 23,760,570 |
| 4. PROFIT & LOSS ACCOUNT | | | |
| | | 148,913,147 | 146,899,585 |
| TOTAL | | <u>235,684,900</u> | <u>236,244,704</u> |
| NOTES TO ACCOUNTS | 7 | — | — |
| 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 | | D. KRISHNA KUMAR RAJU CHAIRMAN | D. SREE RAMA RAJU MANAGING DIRECTOR |
| PLACE : HYDERABAD DATE : 04-09-2008 | | Md. OSMAN AKTHAR COMPANY SECRETARY | |

COUNTRY CONDO'S LIMITED

| COUNTRY CONDO'S LIMITED | | | |
|--|----------------------|--|--|
| PROFIT & LOSS ACCOUNT FOR THE PERIOD FROM 1st JULY 2007 TO 31st MARCH, 2008 | | | |
| PARTICULARS | SCHEDULE NO'S | ENDING 31-03-2008 (Rupees) | ENDING 30-06-2007 (Rupees) |
| 1. INCOME | | | |
| Sales / Income from Operations | | 7,671,235 | 2,788,000 |
| Other Income | | 6,180 | 312,000 |
| Closing Work-in-Progress | | 13,374,447 | — |
| TOTAL | | <u>21,051,862</u> | <u>3,100,000</u> |
| 2. EXPENDITURE | | | |
| Purchases | | 12,196,130 | — |
| Administrative Expenses | 6 | 7,513,187 | 651,001 |
| Loss on sale of Land & Building | | — | 26,054,217 |
| Depreciation | | 3,890,911 | 7,961,254 |
| TOTAL | | <u>23,600,228</u> | <u>34,666,472</u> |
| 3. PROFIT / (LOSS) BEFORE TAX | | (2,548,366) | (31,566,472) |
| 4. PROVISION FOR TAXATION | | — | — |
| 5. DEFERRED INCOME TAX ASSET FOR CURRENT YEAR | | 534,804 | 891,685 |
| 6. PROFIT / (LOSS) AFTER TAX | | (2,013,562) | (30,674,787) |
| 7. PRIOR PERIOD INCOME/EXPENSES | | — | 2,862,769 |
| 8. PROFIT / (LOSS) AFTER PRIOR PERIOD ADJUST | | (2,013,562) | (27,812,017) |
| 9. BALANCE BROUGHT FORWARD PROFIT / (LOSS) | | (146,899,585) | (119,087,568) |
| 10. BALANCE CARRIED FORWARD EARNINGS PER SHARE | | (148,913,147) (0.12) | 146,899,585 (1.89) |
| NOTES TO ACCOUNTS | 7 | — | — |
| 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 | | D. KRISHNA KUMAR RAJU CHAIRMAN | D. SREE RAMA RAJU MANAGING DIRECTOR |
| PLACE : HYDERABAD DATE : 04-09-2008 | | Md. OSMAN AKTHAR COMPANY SECRETARY | |

COUNTRY CONDO'S LIMITED

| COUNTRY CONDO'S LIMITED | | |
|--|--|--|
| SCHEDULE 1 SHARE CAPITAL | | |
| PARTICULARS | AS AT 31-03-2008 (Rupees) | AS AT 30-06-2007 (Rupees) |
| AUTHORISED : | | |
| 20,000,000 Equity Shares of Rs.10/- Each | <u>200,000,000</u> | <u>200,000,000</u> |
| ISSUED, SUBSCRIBED & PAID-UP : | | |
| 16,199,100 Shares of Rs.10/- Each | <u>161,991,000</u> | <u>161,991,000</u> |
| TOTAL | 161,991,000 | 161,991,000 |
| SCHEDULE 3 LOANS & ADVANCES | | |
| PARTICULARS | AS AT 31-03-2008 (Rupees) | AS AT 30-06-2007 (Rupees) |
| Advances & Others | 38,394,164 | 21,399,839 |
| Deposits | 1,023,000 | 1,023,000 |
| TOTAL | 39,417,164 | 22,422,839 |
| SCHEDULE 4 CASH & BANK BALANCES | | |
| PARTICULARS | AS AT 31-03-2008 (Rupees) | AS AT 30-06-2007 (Rupees) |
| Cash in hand | 198,985 | 2,685,176 |
| Balances with Banks | 7308,642 | 97,232 |
| TOTAL | 7,507,627 | 2,782,408 |
| SCHEDULE 5 CURRENT LIABILITIES & PROVISIONS | | |
| PARTICULARS | AS AT 31-03-2008 (Rupees) | AS AT 30-06-2007 (Rupees) |
| Sundry Creditors | 582,019 | 582,020 |
| Advances received | 32,655,631 | — |
| Other Liabilities | 1,211,087 | 1,278,483 |
| Outstanding Expenses & Provisions | 956,176 | 182,604 |
| TOTAL | 35,404,913 | 2,043,107 |

**SCHEDULE - 2 FIXED ASSETS
COUNTRY CONDO'S LIMITED
Depreciation Schedule**

| Particulars | Gross Block as on 01.07.2007 | Additions during the year | Sale of assets during the year | Gross Block as at 31.03.2008 | Depreciation upto 30.06.2007 | Depreciation as at 31.3.2008 | Depreciation on sale of assets | Total Depreciation 31.03.2008 | Net Block as at 31.03.2008 | Net Block as at 30.06.2007 |
|----------------------|------------------------------|---------------------------|--------------------------------|------------------------------|------------------------------|------------------------------|--------------------------------|-------------------------------|----------------------------|----------------------------|
| Furniture & Fixtures | 647844 | 29830 | 0 | 677674 | 463533 | 30863 | 0 | 494396 | 183278 | 184311 |
| Plant & Machinery | 105172017 | 0 | 0 | 105172017 | 409905663 | 3750175 | 0 | 44740738 | 60431279 | 64181454 |
| Art Work | 330526 | 0 | 0 | 330526 | 198464 | 11786 | 0 | 210250 | 120276 | 132062 |
| Blocks | 597574 | 0 | 0 | 597574 | 358526 | 21308 | 0 | 379834 | 217740 | 239048 |
| Cylinders | 918456 | 0 | 0 | 918456 | 547111 | 32750 | 0 | 579861 | 338595 | 371345 |
| Vehicles | 46128 | 39261 | 0 | 85389 | 46128 | 613 | 0 | 46741 | 38648 | 0 |
| Misc. fixed Assets | 1132760 | 0 | 0 | 1132760 | 656432 | 40391 | 0 | 696823 | 435937 | 476328 |
| Computers | 0 | 89000 | 0 | 89000 | 0 | 2178 | 0 | 2178 | 86822 | 0 |
| Printers | 0 | 22500 | 0 | 22500 | 0 | 819 | 0 | 819 | 21681 | 0 |
| Scanner | 0 | 3200 | 0 | 3200 | 0 | 28 | 0 | 28 | 3172 | 0 |
| Total | 108845305 | 183791 | 0 | 109029096 | 43260757 | 3890911 | 0 | 47151668 | 61877428 | 65584548 |

COUNTRY CONDO'S LIMITED

| SCHEDULE 6 ADMINISTRATIVE EXPENSES | | |
|---|---|---|
| PARTICULARS | YEAR ENDED 31-03-2008 (Rupees) | YEAR ENDED 30-06-2007 (Rupees) |
| Salaries | 4,169,788 | 222,000 |
| Advertisement Charges | 32,160 | — |
| Travelling & Conveyance | 275,350 | — |
| Telephone Expenses | 83,871 | — |
| Postage & Telegrams | 517 | — |
| Electricity Charges | — | 45,912 |
| Maintenance Expenses | 107,745 | — |
| Property Tax | — | 142,426 |
| Rates & Taxes | 14,360 | — |
| Filling Fee | 3,150 | — |
| Audit Fee | 61,800 | 25,000 |
| Share Transfer Fee | 69,719 | — |
| BSE Listing Fee | 175,780 | 30,000 |
| NSE Listing Fee | 81,072 | 48,219 |
| CSDL Fee | 14,406 | — |
| Bank Charges | 191,883 | 29,803 |
| Consultancy Charges | 70,000 | 25,000 |
| Printing & Stationery | 44,442 | 8,036 |
| Other Administrative Expenses | 2,117,144 | 74,605 |
| TOTAL | 7,513,187 | 651,001 |

**SCHEDULE - 7
NOTES FORMING PART OF THE ACCOUNTS**

A. SIGNIFICANT ACCOUNTING POLICIES

General :

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

Revenue Recognition :

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

Fixed Assets :

- (i) Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight, duties, taxes and incidental expenses thereto.

Depreciation and Amortisation :

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

Inventories :

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

Taxation :

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company. Deferred tax asset and liability is recognised for future tax consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per the financial statements. Deferred tax asset and liability are measured as per the tax rates / laws that have been enacted or substantively enacted by the Balance Sheet date.

Earnings Per Share :

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

Gratuity :

No Provision for Gratuity has been made as no employees have put qualifying period of service for entitlement of this benefit.

COUNTRY CONDO'S LIMITED

B. NOTES ON ACCOUNTS

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

| | Current Year (Rs.) | Previous Year (Rs.) |
|-----------|--------------------|---------------------|
| Audit Fee | 61,800/- | 25,000/- |
3. 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.

| | |
|-------------|----------------|
| Opening WIP | Rs. NIL |
| Purchases | Rs. 12196130/- |
| Closing WIP | Rs. 13374447/- |
4. Pursuant to Section 100 of the Companies Act, 1956 the confirmation for reduction of capital from the Hon'ble High Court of Andhra Pradesh is still awaited.
5. There are no dues to SSI Units outstanding for more than 30 days.
6. No confirmations were obtained from Creditors as to the balances payable to them as at year end.
7. In accordance with Accounting standard 22 (As 22) issued by the ICAI, the Company has accounted for deferred income tax during the year. The deferred income tax provision for the current year amounts to Rs.534804/- towards deferred income tax Asset (previous Year Rs.891685/- towards deferred income tax Asset.)
8. The Accounts have been closed for a period from 1st July, 2007 to 31st March, 2008 and hence the earlier years figures are not comparable.
9. Previous year's figures have been regrouped wherever necessary.
10. The figures have been rounded off to the nearest rupee.

SIGNATURES TO SCHEDULE 1 TO 7

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

P. MURALI MOHANA RAO
PARTNER

PLACE : HYDERABAD
DATE : 04-09-2008

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

D. KRISHNA KUMAR RAJU D. SREE RAMA RAJU
CHAIRMAN MANAGING DIRECTOR

Md. OSMAN AKTHAR
COMPANY SECRETARY

COUNTRY CONDO'S LIMITED

| CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2008 | | | | |
|---|---|-------------------------------------|---|---|
| | 31.03.2008 (Rs. in Lakhs) | 30.06.2007 (Rs. in Lakhs) | | |
| CASH FLOW FROM OPERATING ACTIVITIES : | | | | |
| Net Profit Before Taxation and Extraordinary Items | -25.48 | -315.66 | | |
| ADJUSTMENT FOR : | | | | |
| Depreciation | 38.91 | 79.61 | | |
| Interest Expenses | — | — | | |
| Loss on sale of fixed assets | — | 260.54 | | |
| Operating Profit Before Working Capital Changes | 13.43 | 24.49 | | |
| Trade and Other Receivables | -169.94 | 33.92 | | |
| Inventories | -127.76 | | | |
| Trade Payables | 333.62 | -10.75 | | |
| Cash Generated from Operations | 49.34 | 47.66 | | |
| Direct Tax Paid | | | | |
| Net Cash Flow from Operating Activities | 49.34 | 47.66 | | |
| Extraordinary Items | | | | |
| Prior period adjustments | | 28.63 | | |
| Net Cash Flow After Extraordinary Items | 49.34 | 76.29 | | |
| Cash Flow from Investing Activities | | | | |
| Purchase of Fixed Assets | -1.84 | — | | |
| Purchase of Fixed assets includes Capital Working Progress | | | | |
| Miscellaneous expenses incurred | — | | | |
| Investments in Subsidiary Companies | — | | | |
| Sale of fixed assets | — | 65 | | |
| Net Cash in Investing Activities | -1.84 | 65 | | |
| Cash Flow from Financing Activities | | | | |
| Proceeds from Issue of Equity Shares | — | | | |
| Repayment of Secured Loans | — | -255.10 | | |
| Repayment of Unsecured Loans | -0.25 | 136.10 | | |
| Interest Paid | — | | | |
| Net Cash used in Financing Activities | -0.25 | -119.00 | | |
| Net Increase in Cash and Cash Equivalents | 47.25 | 22.29 | | |
| Cash and Cash Equivalents (Opening Balance) | 27.82 | 5.53 | | |
| Cash and Cash Equivalents (Closing Balance) | 75.07 | 27.82 | | |
| <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>AS PER OUR REPORT OF EVEN DATE for P. MURALI & CO., CHARTERED ACCOUNTANTS P. MURALI MOHANA RAO PARTNER</p> <p>PLACE: HYDERABAD DATE : 04/09/2008</p> </td> <td style="width: 50%; vertical-align: top; text-align: center;"> <p>FOR AND ON BEHALF OF THE BOARD For COUNTRY CONDO'S LIMITED</p> <p>D.KRISHNA KUMAR RAJU D. SREE RAMA RAJU CHAIRMAN MANAGINGDIRECTOR</p> <p>Md. OSMAN AKTHAR COMPANY SECRETARY</p> </td> </tr> </table> | | | <p>AS PER OUR REPORT OF EVEN DATE for P. MURALI & CO., CHARTERED ACCOUNTANTS P. MURALI MOHANA RAO PARTNER</p> <p>PLACE: HYDERABAD DATE : 04/09/2008</p> | <p>FOR AND ON BEHALF OF THE BOARD For COUNTRY CONDO'S LIMITED</p> <p>D.KRISHNA KUMAR RAJU D. SREE RAMA RAJU CHAIRMAN MANAGINGDIRECTOR</p> <p>Md. OSMAN AKTHAR COMPANY SECRETARY</p> |
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| <p>To The Board of Directors COUNTRY CONDO'S LIMITED</p> <p>We have examined the attached Cash Flow Statement of M/s. Country Condo's Limited for the the period ended 31st March, 2008. The Statement has been prepared by the company in accordance with the requirement of Clause 32 of listing agreement with Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 4th September, 2008 to the member of the Company.</p> <p style="text-align: right;">for P. MURALI & CO CHARTERED ACCOUNTANTS</p> <p>DATE : 4th September, 2008 PLACE: HYDERABAD</p> <p style="text-align: right;">P. MURALI MOHANA RAO PARTNER</p> | | | | |

COUNTRY CONDO'S LIMITED

Statement pursuant to part IV of schedule VI to the Companies Act, 1956 :

Balance Sheet Abstract and Company's General Business Profile

I. REGISTRATION DETAILS

CIN **24230AP1987PLC007811** State Code **01**

Balance Sheet Date **31/03/2008**
 Date Month Year

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

| | | | |
|--------------|--------------|-------------------|--------------|
| PUBLIC ISSUE | N I L | RIGHTS ISSUE | N I L |
| BONUS ISSUE | N I L | PRIVATE PLACEMENT | N I L |

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

TOTAL LIABILITIES **235684** TOTAL ASSETS **235684**

SOURCE OF FUNDS

| | | | |
|-----------------|---------------|---------------------|--------------|
| PAID-UP CAPITAL | 161991 | RESERVES & SURPLUS | 37113 |
| SECURED LOANS | N I L | UNSECURED LOANS | 17585 |
| | | DEFERRED INCOME TAX | 18995 |

APPLICATION OF FUNDS

| | | | |
|--------------------|---------------|-------------------|--------------|
| NET FIXED ASSETS | 61877 | INVESTMENTS | N I L |
| NET CURRENT ASSETS | 24894 | MISC. EXPENDITURE | N I L |
| ACCUMULATED LOSSES | 148913 | | |

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

| | | | |
|---------------------------|-------------|-----------------------|--------------|
| TURNOVER | 7677 | TOTAL EXPENDITURE | 23600 |
| PROFIT/LOSS BEFORE TAX | 2548 | PROFIT/LOSS AFTER TAX | 2013 |
| EARNING PER SHARES IN RS. | 0.12 | DIVIDEND RATE % | N I L |

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

D. KRISHNA KUMAR RAJU
CHAIRMAN

D. SREE RAMA RAJU
MANAGING DIRECTOR

PLACE: HYDERABAD
DATE: 04.09.2008

MD. OSMAN AKTHAR
COMPANY SECRETARY

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 21st Annual General Meeting of the Company to be held on
Monday, the 29th September, 2008 at 12.00 Noon at Sri Vasavi Arya Vysya Sangam, Kattedan,
Hyderabad – 500 077 and at any adjournment thereof.

Signed this..... day of _____ 2008.

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.

.....cut here.....

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
DP ID.....

Shares held
Client ID.....

I hereby record my presence at the 21st Annual General Meeting of the Company to be held on
Monday, the 29th September, 2008 at 12.00 Noon at Sri Vasavi Arya Vysya Sangam, Kattedan,
Hyderabad – 500 077

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.