

22nd
ANNUAL REPORT
2008-2009



COUNTRY CONDO'S LIMITED

(FORMERLY KNOWN AS NEOCURE THERAPEUTICS LIMITED)

COUNTRY CONDO'S LIMITED



BOARD OF DIRECTORS

1. Sri D. Krishna Kumar Raju	-	Chairman
2. Sri D. Sree Rama Raju	-	Managing Director
3. Sri P. V. V. Prasad	-	Director
4. Sri G. Venkateshwar Rao	-	Additional Director
5. Sri S. Bal Reddy	-	Additional Director
6. Sri A. VSB Laxmipathi Rao	-	Additional Director
7. Sri VK Ramudu	-	Additional Director
8. Sri Y. Rajeev Reddy	-	Proposed Director
9. Sri Y. Siddharth Reddy	-	Proposed Director
10. Sri Y. Varun Reddy	-	Proposed Director

COMPANY SECRETARY

Sri J. Laxmikanth

BANKERS

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

AUDITORS

M/s. P. Murali & Co.,
Chartered Accountants
6-3-655/2/3,
Somajiguda,
Hyderabad – 500 082
Phone: 91-40-23326666

REGISTERED OFFICE

8-2-703, Mahogany Complex,
Ground Floor, Amrutha Valley,
Road No.12, Banjara Hills,
Hyderabad – 500 034
Ph: 91-40-64541609
Email: countrycondos@gmail.com

SHARE TRANSFER AGENTS

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

LISTING AT

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

COUNTRY CONDO'S LIMITED



NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the members of Country Condo's Limited (formerly known as Neocure Therapeutics Limited) will be held on **Monday, the 10th day of August, 2009 at 2.00 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, 2009 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 D. Krishna Kumar Raju, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri P. V. V. Prasad, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

5. **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 proviso to Regulation 12 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subject to Section 257 and other relevant provisions of the Companies Act, 1956 and that of Articles of Association of the Company, **Sri Y. Rajeev Reddy** be and is hereby appointed as a director of the Company not liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 269, 309, 310 read with Schedule XIII to the Companies Act, 1956 and enabling provisions of the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded for appointment of **Sri Y. Rajeev Reddy, as Chairman and Managing Director** of the Company for a period of 5 years, with effect from 10th August, 2009, on the following terms and conditions:

- A) Salary of Rs.50,000/- (Rupees Fifty Thousand Only) per month. This includes dearness allowance and all other allowances not otherwise specified herein.
- B) In addition, the Chairman and Managing Director shall be entitled to the following:
 - I. **Perquisites** as under not exceeding Rs.25,000/- per month:
 - a) Housing: Rent-free accommodation will be provided to him from whom 10% of his salary shall be recovered. In case no accommodation is provided by the Company, house rent allowance at 60% of the salary shall be paid. In addition, he shall be allowed free use of the Company owned furniture and other consumable durables, if required.
 - b) The expenditure incurred by him for gas, electricity, water and furnishings shall be reimbursed by the Company.
 - c) All medical expenses incurred by him shall be reimbursed.
 - d) Leave travel concession for him will be allowed once in a year as may be decided by the Board.

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- e) Fees of Club shall be reimbursed subject to the maximum of two clubs; Admission Fees and Life Member Fees shall not be reimbursed.
 - f) Personal accident insurance – the premium of which shall not exceed Rs.5000/- per annum.
 - g) Contribution to the provident fund, superannuation fund, annuity fund to the extent the same are not taxable under the Income Tax Act, 1961.
 - h) Provision of Car with driver for use on Company's business and Mobile phone and Telephone at residence and expenditure incurred on Traveling shall be reimbursed by the Company.
 - i) Gratuity is payable at a rate not exceeding Half Month Salary for each completed year of Service.
 - j) Encashment of earned leave at the rate of 30 days per annum at the end of his tenure.
- II. **Commission:** He shall be paid performance based commission up to 5% (Five Percentage) (including salary and perquisites hereafter stated) of the net profits calculated in accordance with Section 349 and Section 350 of the Companies Act, 1956 for each financial year commencing from 10th August, 2009.

RESOLVED FURTHER THAT in case of absence or inadequacy of Profits during any financial year during the tenure of office of Sri Y. Rajeev Reddy, Chairman and Managing Director, the above remuneration shall be payable subject to the limits prescribed under Schedule XIII to the Companies Act, 1956.”

6. **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 proviso to Regulation 12 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subject to Section 257 and other relevant provisions of the Companies Act, 1956 and that of Articles of Association of the Company, **Sri Y. Siddharth Reddy** be and is hereby appointed as a director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 269, 309, 310 read with Schedule XIII to the Companies Act, 1956 and enabling provisions of the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded for appointment of **Sri Y. Siddharth Reddy as Joint Managing Director & Chief Executive Officer** of the Company for a period of 5 years, with effect from 10th August, 2009, on the following terms and conditions:

A) Salary of Rs.30,000/- (Rupees Thirty Thousand Only) per month. This includes dearness allowance and all other allowances not otherwise specified herein.

B) In addition, he shall be entitled to the following:

I. **Perquisites** as under not exceeding Rs.25,000/- per month:

- a) Housing: Rent-free accommodation will be provided to him from whom 10% of his salary shall be recovered. In case no accommodation is provided by the Company, house rent allowance at 60% of the salary shall be paid. In addition, he shall be allowed free use of the Company owned furniture and other consumable durables, if required.
- b) The expenditure incurred by him for gas, electricity, water and furnishings shall be reimbursed by the Company.
- c) All medical expenses incurred by him shall be reimbursed.

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- d) Leave travel concession for him will be allowed once in a year as may be decided by the Board.
 - e) Fees of Club shall be reimbursed subject to the maximum of two clubs; Admission Fees and Life Member Fees shall not be reimbursed.
 - f) Personal accident insurance – the premium of which shall not exceed Rs.5000/- per annum.
 - g) Contribution to the provident fund, superannuation fund, annuity fund to the extent the same are not taxable under the Income Tax Act, 1961.
 - h) Provision of Car with driver for use on Company's business and Mobile phone and Telephone at residence and expenditure incurred on Traveling shall be reimbursed by the Company.
 - i) Gratuity is payable at a rate not exceeding Half Month Salary for each completed year of Service.
 - j) Encashment of earned leave at the rate of 30 days per annum at the end of his tenure.
- II. **Commission:** He shall be paid performance based commission up to 2.50% (Two and Half Percentage) (including salary and perquisites hereafter stated) of the net profits calculated in accordance with Section 349 and Section 350 of the Companies Act, 1956 for each financial year commencing from 10th August, 2009.

RESOLVED FURTHER THAT in case of absence or inadequacy of Profits during any financial year during the tenure of office of Sri Y. Siddharth Reddy, Joint Managing Director and Chief Executive Officer, the above remuneration shall be payable subject to the limits prescribed under Schedule XIII to the Companies Act, 1956.”

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 proviso to Regulation 12 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subject to Section 257 and other relevant provisions of the Companies Act, 1956 and that of Articles of Association of the Company, **Sri Y. Varun Reddy** be and is hereby appointed as a director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 269, 309, 310 read with Schedule XIII to the Companies Act, 1956 and enabling provisions of the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded for appointment of **Sri Y. Varun Reddy as Joint Managing Director & Chief Operating Officer of the Company** for a period of 5 years, with effect from 10th August, 2009, on the following terms and conditions:

- A) Salary of Rs.30,000/- (Rupees Thirty Thousand Only) per month. This includes dearness allowance and all other allowances not otherwise specified herein.
- B) In addition, he shall be entitled to the following:
 - I. **Perquisites** as under not exceeding Rs.25,000/- per month:
 - a) Housing: Rent-free accommodation will be provided to him from whom 10% of his salary shall be recovered. In case no accommodation is provided by the Company, house rent allowance at 60% of the salary shall be paid. In addition, he shall be allowed free use of the Company owned furniture and other consumable durables, if required.

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- b) The expenditure incurred by him for gas, electricity, water and furnishings shall be reimbursed by the Company.
 - c) All medical expenses incurred by him shall be reimbursed.
 - d) Leave travel concession for him will be allowed once in a year as may be decided by the Board.
 - e) Fees of Club shall be reimbursed subject to the maximum of two clubs; Admission Fees and Life Member Fees shall not be reimbursed.
 - f) Personal accident insurance – the premium of which shall not exceed Rs.5000/- per annum.
 - g) Contribution to the provident fund, superannuation fund, annuity fund to the extent the same are not taxable under the Income Tax Act, 1961.
 - h) Provision of Car with driver for use on Company's business and Mobile phone and Telephone at residence and expenditure incurred on Traveling shall be reimbursed by the Company.
 - i) Gratuity is payable at a rate not exceeding Half Month Salary for each completed year of Service.
 - j) Encashment of earned leave at the rate of 30 days per annum at the end of his tenure.
- II. **Commission:** He shall be paid performance based commission up to 2.50% (Two and Half Percentage) (including salary and perquisites hereafter stated) of the net profits calculated in accordance with Section 349 and Section 350 of the Companies Act, 1956 for each financial year commencing from 10th August, 2009.

RESOLVED FURTHER THAT in case of absence or inadequacy of Profits during any financial year during the tenure of office of Sri Y. Varun Reddy, Joint Managing Director and Chief Operating Officer, the above remuneration shall be payable subject to the limits prescribed under Schedule XIII to the Companies Act, 1956.”

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

“**RESOLVED THAT** Sri G. Venkateshwar Rao, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 6th July, 2009, who holds office under Section 260 of the Companies Act, 1956, upto the commencement of 22nd Annual General Meeting of members of the Company and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

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

“**RESOLVED THAT** Sri S. Bal Reddy, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 6th July, 2009, who holds office under Section 260 of the Companies Act, 1956 upto the commencement of 22nd Annual General Meeting of members of the Company and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

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

“RESOLVED THAT Sri A. VSB Laxmipathi Rao, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 6th July, 2009, who holds office under Section 260 of the Companies Act, 1956 upto the commencement of 22nd Annual General Meeting of members of the Company and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

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

“RESOLVED THAT Sri V. K. Ramudu, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 6th July, 2009, who holds office under Section 260 of the Companies Act, 1956 upto the commencement of 22nd Annual General Meeting of members of the Company and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

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

“RESOLVED THAT in accordance with the provisions of Section 94 and all other applicable provisions of the Companies Act, 1956, read with Article 6 of the Articles of Association of the Company, the existing Authorised Share Capital of the Company be and is hereby increased from Rs.20,00,00,000/- (Rupees Twenty Crores Only) divided into 20,00,00,000 (Twenty Crores) Equity Shares of Re.1/- (Rupee One) each to Rs.30,00,00,000/- (Rupees Thirty Crores Only) divided into 30,00,00,000 (Thirty Crores) Equity Shares of Re.1/- (Rupee One) each by creation of 10,00,00,000 (Ten Crores) Equity Shares of Re.1/- (Rupee One) each ranking *pari passu* with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT in accordance with the provisions of Section 16 and all other applicable provisions, if any, of the Companies Act, 1956, the Clause V (i) of the Memorandum of Association of the Company be and is hereby altered by substituting the following new clause V (i) in place of the existing Clause V (i) thereof:

V (i) *The Authorised Share Capital of the Company is Rs.30,00,00,000/- (Rupees Thirty Crores Only) divided into 30,00,00,000 (Thirty Crores Only) Equity Shares of Re.1/- (Rupee One Only) each.*

RESOLVED FURTHER THAT in accordance with the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Article 3 of the Articles of Association of the Company be and is hereby altered by substituting the following new Article 3 in place of the existing Article 3 thereof:

3. *The Authorized Share Capital of the Company is Rs.30,00,00,000/- (Rupees Thirty Crores only) divided into 30,00,00,000/- (Thirty Crores only) Equity Share of Re.1/- (Rupees One Only) each.”*

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

“RESOLVED THAT, subject to the provisions of Section 81 and other applicable provisions of the Companies Act, 1956 and of the Articles of Association of the company and recommendation of the Board of Directors and subject to the Guidelines issued by the Securities and Exchange Board of India (SEBI) and such approvals, as may be required in this regard, of any other appropriate authority or authorities and subject also to such terms, conditions and modifications as may be prescribed in granting such approvals and agreed to by the Board of Directors of the company (hereinafter called the “Board” which term shall be

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deemed to include any Committee which the Board may have constituted or hereafter constitute, to exercise the powers including the powers conferred by this Resolution), the consent of the Company be and is hereby accorded to the Board, for capitalization of such of the Share Premium as may be considered necessary by the Board for the purpose of issue of Bonus Shares of Rs.1/- each credited as fully paid to the holders of the existing equity shares of the company, whose names appear on the Register of Members on such dates as may be fixed in this regard, in the proportion of 2 (TWO) Equity Share for every (One) Equity share held by them.

RESOLVED FURTHER THAT the new equity shares shall be allotted subject to the Memorandum and Articles of the Association of the Company and shall rank pari-passu, in all respects, with the existing fully paid shares of the Company, with a right, if the Board so determines, to participate in full in dividend to be declared after the date of allotment of these shares.

RESOLVED FURTHER THAT no letters of allotment shall be issued in respect of the said bonus shares but the certificate(s) in respect of the new equity shares to be allotted, as fully paid bonus shares as aforesaid, shall be completed and thereafter be dispatched to the allottees thereof, within the period prescribed or that may be prescribed from time to time, except that the bonus shares will be credited to the demat accounts of the allottees who are holding the existing equity shares in electronic/demat form.

RESOLVED FURTHER THAT allotment of the fully paid new equity shares as bonus shares to the extent that they relate to non-resident members of the company, shall be subject to the approval of the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and rules / regulations made thereunder, if applicable.

RESOLVED FURTHER THAT for the purpose of giving effect to the bonus issue of equity shares resolved herein-before, the issuance of equity shares and/or instruments of securities representing the same, the Board and other designated officers of the Company be and are hereby authorized on behalf of the Company to do all such acts, deeds and matter and things as it may at its/their discretion deem necessary, desirable for such purpose, including without limitation, filing any documents with Securities and Exchange Board of India and/or any other authority or authorities as may be required for listing the additional equity shares on the Bombay Stock Exchange limited and National Stock Exchange of India Limited."

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

"RESOLVED THAT pursuant to Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956, read with the enabling provisions of the Memorandum and Articles of Association of the Company and subject to the regulations/rules/guidelines issued by the Securities and Exchange Board of India (SEBI), Listing Agreement entered into with the Stock Exchange (s) and subject to such approvals, consents, permissions and sanctions of all other appropriate and/or concerned authorities and departments, if any, and subject to such conditions and modifications as may be prescribed by any of them in granting such approvals, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any Committee constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), to offer, issue, allot and deliver **1,70,00,000** (One Crore Seventy Lakhs only) warrants on preferential basis convertible into **1,70,00,000** (One Crore Seventy Lakhs only) Equity Shares of Re.1/- each (i.e., one Equity Share for every One warrant issued and allotted) at a Price of Rs.10.64/- (Rupees Ten Paise Sixty Four Only) per Equity Share (i.e., at a Premium of Rs.9.64/- (Rupees Nine Paise Sixty Four Only) Per Equity Share) to the following persons:

S. No.	Name of the Proposed Allottee	No. of Warrants to be allotted
1.	Y. Rajeev Reddy	85,00,000
2.	Y. Siddharth Reddy	42,50,000
3.	Y. Varun Reddy	42,50,000

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for cash which shall upon conversion rank pari-passu with the existing equity shares of the Company, in such form and manner and upon such terms and conditions as the Board may in its absolute discretion deem fit, at a price of not less than the price as on “**Relevant Date**” determined in terms of Clause 13.1.1 of SEBI (Disclosure and Investor Protection) Guidelines, 2000.

RESOLVED FURTHER THAT the ‘Relevant Date’ for the purpose of determining the issue price of warrants, in pursuance of SEBI (Disclosure and Investor Protection) Guidelines, 2000 will be **11th July, 2009**.

RESOLVED FURTHER THAT

- a) Each Warrant convertible into equity shares (i.e. 1 equity shares for 1 warrants issued) as mentioned above can be exercised in one or more tranches at any time within a period of 18 months from the date of allotment of such warrants and on such other terms and conditions, subject to SEBI (Disclosure and Investor Protection) Guidelines, 2000, as may be applicable, from time to time.
- b) The aforementioned allottee shall have to pay a minimum 25% of the warrant offer price as application money towards the warrants i.e., a minimum of Rs.2.66/- Paise Only.
- c) The warrant holder shall, on the date of conversion, pay the balance 75% of the consideration towards the subscription to each equity share.
- d) The amount paid on issue of warrants shall be forfeited if the warrants are not exercised within a period of 18 months from the date of allotment of warrants.
- e) Equity shares to be issued and allotted by the Company on exercising of the option against the warrants shall rank pari-passu in all respects with the existing fully paid-up Equity Shares of the Company.

RESOLVED FURTHER THAT the Board do seek listing of the equity shares allotted pursuant to the conversion of aforesaid warrants at all the exchanges, where the equity shares of the Company are already listed or may be listed and at any other Stock Exchange(s) which the Board in its own discretion deems fit and necessary.

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 / 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.

The Board / Committee be and is hereby authorised to accept the terms, conditions and stipulations made by the regulatory authorities while granting approval to the Company for the issue of securities as aforesaid.”

15. 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 20 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 futures 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."

16. 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 10,00,00,000 Equity shares in one or more tranches, by way of Qualified Institutional Placement ("QIP") to Qualified Institutional Buyers ("QIB") in terms of Chapter XIII-A of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 ("SEBI DIP Guidelines") 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 relevant

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provisions of SEBI DIP Guidelines 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 DIP Guidelines, 2000 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, memoranda, 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 / 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."

17. 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 Sections 198, 269, 309, 310 read with Schedule XIII to the Companies Act, 1956 and enabling provisions of the Articles of Association of the Company, **Sri D. Krishna Kumar Raju**, Chairman, be and is hereby re-designated as **Vice Chairman & Executive Director** of the Company for a period of 5 years, with effect from 10th August, 2009, on the following terms and conditions:

- A) Salary of Rs.30,000/- (Rupees Thirty Thousand Only) per month. This includes dearness allowance and all other allowances not otherwise specified herein.
- B) In addition, he shall be entitled to the following:
 - I. **Perquisites** as under not exceeding Rs.25,000/- per month:
 - a) Housing: Rent-free accommodation will be provided to him from whom 10% of his salary shall be recovered. In case no accommodation is provided by the Company, house rent allowance at 60% of the salary shall be paid. In addition, he shall be allowed free use of the Company owned furniture and other consumable durables, if required.
 - b) The expenditure incurred by him for gas, electricity, water and furnishings shall be reimbursed by the Company.
 - c) All medical expenses incurred by him shall be reimbursed.

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- d) Leave travel concession for him will be allowed once in a year as may be decided by the Board.
- e) Fees of Club shall be reimbursed subject to the maximum of two clubs; Admission Fees or Life Member Fees shall not be reimbursed.
- f) Personal accident insurance – the premium of which shall not exceed Rs.5000/- per annum.
- g) Contribution to the provident fund, superannuation fund, annuity fund to the extent the same are not taxable under the Income Tax Act, 1961.
- h) Provision of Car with driver for use on Company's business and Mobile phone and Telephone at residence and expenditure incurred on Traveling shall be reimbursed by the Company.
- i) Gratuity is payable at a rate not exceeding Half Month Salary for each completed year of Service.
- j) Encashment of earned leave at the rate of 30 days per annum at the end of his tenure.

RESOLVED FURTHER THAT in case of absence or inadequacy of Profits during any financial year during the tenure of office of Sri D. Krishna Kumar Raju, Vice Chairman and Executive Director, the above remuneration shall be payable subject to the limits prescribed under Schedule XIII to the Companies Act, 1956.”

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

PLACE : HYDERABAD
DATE : 15-07-2009

SD/-
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.**
- 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 06-08-2009 to 07-08-2009 (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, 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.
- 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. 20 & 21.



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

Item # 5: Appointment of Sri. Y. Rajeev Reddy on the Board as Chairman & Managing Director:

As you are aware the Company was incurring losses for many years and to sustain, diversify / proposed to diversify its activities into real estate, construction, infrastructure, activities in the area of entertainment, travel, leisure spending, etc., in order to provide impetus to these new line of activities, it is proposed to invite and induct talent on the Board. In this regard it is proposed to appoint Mr. Y. Rajeev Reddy as the Chairman and Managing Director of the Company. Mr. Y. Rajeev Reddy has vast experience in the field of real estate, construction, leisure industry, hotel industry. His appointment requires approval of members in general meeting pursuant to Section 269 read with Schedule XIII to the Companies Act, 1956. Mr. Y. Rajeev Reddy, who holds 3,25,855 fully Paid up Equity Shares of Re.1/- each in the Company and has 6.22% of total voting rights (together with his relatives) in the Company. His appointment may tantamount to acquisition of control in the Management of the Company pursuant to the Regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and hence approval of members by way of Special Resolution in general meeting as well as through postal Ballot is required. The Company has already sent the Postal Ballot notices to all the members to seek their approval as required under Regulation 12 of SEBI (SAST) Regulations, 1997. The Postal Ballot results will be announced on 10th August, 2009 at the 22nd Annual General Meeting. Company has received a notice together with the requisite deposit of amount from a member proposing a candidature of Mr. Y. Rajeev Reddy as a Director of the Company under Section 257 of the Companies Act, 1956. Remuneration Committee has approved the remuneration proposed to him. Board of Directors recommends their appointment in the interest of the Company.

The Explanatory Statement together with the accompanying notice may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

None of the directors are interested or concerned either directly or indirectly in the proposed Special resolution except Sri Y. Rajeev Reddy, Y. Siddharth Reddy and Y. Varun Reddy, being relatives to each other.

Item # 6: Appointment of Sri. Y. Siddharth Reddy on the Board as Joint Managing Director & Chief Executive Officer:

It is proposed to appoint Sri Y. Siddharth Reddy as a Director as well Joint Managing Director and Chief Executive Officer of the Company. He holds a degree in Finance from University of Texas, Austin. He is young, energetic and dynamic person and under his leadership the Company may transform from the present scenario and can achieve its goals. Appointment of Mr. Y. Siddharth Reddy as managerial personnel requires the approval of members in general meeting. Mr. Y. Siddharth Reddy, who holds 3,23,840 fully Paid up Equity Shares of Re.1/- each in the Company and has 6.22% of total voting rights (together with his relatives) in the Company. His appointment may tantamount to acquisition of control in the Management of the Company pursuant to the Regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and hence approval of members by way of Special Resolution in general meeting as well as through postal Ballot is required. The Company has already sent the Postal Ballot notices to all the members to seek their approval as required under Regulation 12 of SEBI (SAST) Regulations, 1997. The Postal Ballot results will be announced on 10th August, 2009 at the 22nd Annual General Meeting. Company has received a notice together with the requisite deposit of amount from a member proposing a candidature of Mr. Y. Siddharth Reddy as a Director of the Company under Section 257 of the Companies Act, 1956. Remuneration Committee has approved the remuneration proposed to Mr. Y. Siddharth Reddy. Board of Directors recommends his appointment in the interest of the Company.

The Explanatory Statement together with the accompanying notice may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

None of the directors are interested or concerned either directly or indirectly in the proposed Special resolution except Sri Y. Rajeev Reddy, Y. Siddharth Reddy and Y. Varun Reddy, being relatives to each other.

COUNTRY CONDO'S LIMITED



Item # 7: Appointment of Sri. Y. Varun Reddy on the Board as Joint Managing Director & Chief Operating Officer:

Sri Y. Varun Reddy is a graduate from University of Rutgers, New Jersey with a BA in Economics, Marketing and Corporate Communications. He can be a perfect fit while executing the future plans of the Company. He is a young, energetic and dynamic person and can take care of overall supervision of marketing operations of the Company. It is proposed to induct him on the Board and appoint him as a Joint Managing Director as well as Chief Operating Officer of the Company. Appointment of Mr. Y. Varun Reddy requires the approval of members in general meeting. Mr. Y. Varun Reddy, who holds 3,57,727 fully Paid up Equity Shares of Re.1/- each in the Company and has 6.22% of total voting rights (together with his relatives) in the Company. His appointment may tantamount to acquisition of control in the Company pursuant to the Regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and hence approval of members by way of Special Resolution in general meeting as well as through postal Ballot is required. The Company has already sent the Postal Ballot notices to all the members to seek their approval as required under Regulation 12 of SEBI (SAST) Regulations, 1997. The Postal Ballot results will be announced on 10th August, 2009 at the 22nd Annual General Meeting. Company has received a notice together with the requisite deposit of amount from a member proposing a candidature of Mr. Y. Varun Reddy as a Director of the Company under Section 257 of the Companies Act, 1956. Remuneration Committee has approved the remuneration proposed to Mr. Y. Varun Reddy. Board of Directors recommends his appointment in the interest of the Company.

The Explanatory Statement together with the accompanying notice may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

None of the directors are interested or concerned either directly or indirectly in the proposed Special resolution except Sri Y. Rajeev Reddy, Y. Siddharth Reddy and Y. Varun Reddy, being relatives to each other.

Item # 8: Appointment of Sri. G. Venkateshwar Rao on the Board as Non – Executive Independent Director:

To have the optimum mix of both Independent and Non-Independent Directors on the Board, the Board of Directors has co-opted Sri G. Venkateshwar Rao on the Board with effect from 6th July, 2009 as an Additional Director. Under Section 260 of the Companies Act, 1956, Sri G. Venkateshwar Rao holds office only until the commencement of the ensuing Annual General Meeting of the members of the Company. The Company has received a notice in writing under Section 257 of the Companies Act, 1956, along with a requisite deposit from a member signifying his intention to propose the name of Sri G. Venkateshwar Rao as a candidature for the office of the Director. The Board of Directors recommends his appointment.

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

Item # 9: Appointment of Sri. S. Bal Reddy on the Board as Non – Executive Independent Director:

To have the optimum mix of both Independent and Non-Independent Directors on the Board, the Board of Directors has co-opted Sri S. Bal Reddy on the Board with effect from 6th July, 2009 as an Additional Director. Under Section 260 of the Companies Act, 1956, Sri S. Bal Reddy holds office only until the commencement of the ensuing Annual General Meeting of the members of the Company. The Company has received a notice in writing under Section 257 of the Companies Act, 1956, along with a requisite deposit from a member signifying his intention to propose the name of Sri S. Bal Reddy as a candidature for the office of the Director. The Board of Directors recommends his appointment.

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

COUNTRY CONDO'S LIMITED



Item # 10: Appointment of Sri. A. VSB Laxmipathi Rao on the Board as Non – Executive Independent Director:

To have the optimum mix of both Independent and Non-Independent Directors on the Board, the Board of Directors has co-opted Sri A. VSB Laxmipathi Rao on the Board with effect from 6th July, 2009 as an Additional Director. Under Section 260 of the Companies Act, 1956, Sri A. VSB Laxmipathi Rao holds office only unto the commencement of the ensuing Annual General Meeting of the members of the Company. The Company has received a notice in writing under Section 257 of the Companies Act, 1956, along with a requisite deposit from a member signifying his intention to propose the name of Sri A. VSB Laxmipathi Rao as a candidature for the office of the Director. The Board of Directors recommends his appointment.

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

Item # 11: Appointment of Sri. V. K. Ramudu on the Board as Non – Executive Independent Director:

To have the optimum mix of both Independent and Non-Independent Directors on the Board, the Board of Directors has co-opted Sri V. K. Ramudu on the Board with effect from 6th July, 2009 as an Additional Director. Under Section 260 of the Companies Act, 1956, Sri V. K. Ramudu holds office only unto the commencement of the ensuing Annual General Meeting of the members of the Company. The Company has received a notice in writing under Section 257 of the Companies Act, 1956, along with a requisite deposit from a member signifying his intention to propose the name of Sri V. K. Ramudu as a candidature for the office of the Director. The Board of Directors recommends his appointment.

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

Item # 12: Increase of Authorised Share Capital of the Company:

The present Authorised Share Capital of the Company is Rs.20,00,00,000(Rupees Twenty Crores Only) divided into 20,00,00,000 (Twenty Crores) Equity Shares of Re.1/- (Rupee One) each.

It is now proposed to Increase the Authorized Share Capital to Rs.30,00,00,000/- (Rupees Thirty Crores Only) divided into 30,00,00,000 (Thirty Crores) Equity Shares of Re.1/- (Rupee One) each by creation of 10,00,00,000 (Ten Crores) Equity Shares of Re.1/- (Rupee One) each ranking pari passu with the existing Equity Shares of the Company. Increase of Authorised Share Capital of the Company requires the approval of members by way of an Ordinary Resolution pursuant to Section 94 of the Companies Act, 1956. Consequent to increase of Authorised Share Capital, the Articles of Association of the Company needs to be altered and which requires the approval of members by Special Resolution pursuant to Section 31 of the Companies Act, 1956. Hence the above resolutions are submitted to meeting for members' approval. The Board of Directors recommends the resolutions for your approval.

A copy of the present Memorandum and Articles of Association of the Company is available for inspection at the registered office in all working days between 3.00 pm and 5.00 pm and up to the day of the meeting.

None of the Directors of the Company are concerned or interested extend to the extent they may participate in the increases capital when issued and allotted by the Company.

Item # 13: Issue of Bonus Shares:

The Board of Directors, at the meeting held on 15th July, 2009 considered issue of Bonus shares by capitalizing a part of the reserves comprising Share Premium of the Company and recommended an issue of Bonus shares in the proportion of TWO equity share for every ONE equity share held by the members on a date to be fixed by the Board.

Under the Articles of Association of the Company and the relevant provisions of the Companies Act, 1956 and the Guidelines framed by the Securities and Exchange Board of India (SEBI) for issue of bonus shares, it is necessary to obtain the members approval for issue of Bonus shares.

COUNTRY CONDO'S LIMITED



Accordingly, the ordinary Resolution at item No 13 seeks the approval of members for issue of bonus shares on the terms and conditions set out in the resolution, which your Directors recommend for your approval.

The convertible warrants proposed to be issued to the proposed promoters of the Company are not entitled to participate in the Bonus Shares.

The directors of the Company to the extent of their shareholding may be treated as interested in this Resolution.

Item # 14: Issue of Warrants on Preferential basis:

Your Company plans to issue convertible warrants to finance its expansion and acquisition plans. It is proposed to create, offer, issue and allot **1,70,00,000** (One Crore Seventy Lakhs only) warrants convertible into One equity shares of Re.1/- each fully paid-up for every one warrants issued and allotted to the following Persons on preferential basis:

S. No.	Name of the Proposed Allottee	No. of Warrants to be allotted
1.	Y. Rajeev Reddy	85,00,000
2.	Y. Siddharth Reddy	42,50,000
3.	Y. Varun Reddy	42,50,000

The information as required under Clause 13.1A of the SEBI (Disclosure and Investor Protection) Guidelines 2000 for the preferential issue is as under:

a) Object of issue:

The object of the proposed preferential offer is to augment resources for expansion and acquisition plans and other general corporate purposes of the Company.

b) Intention of the Promoters/Directors/Key Management persons to subscribe to the offer:

Sri Y. Rajeev Reddy, Proposed Chairman & Managing Director and Promoter, Sri Y. Siddharth Reddy, Proposed Joint Managing Director & CEO and Promoter and Sri Y. Varun Reddy, Proposed Joint Managing Director & COO and Promoter of the Company is intending to subscribe **1,70,00,000** (One Crore Seventy Lakhs only) warrants to be converted into equity shares **in the ratio of 1 warrant for 1 equity shares** within 18 months from the date of issue. Further, the Promoter may convert the warrants in one or more tranches such that they shall not acquire the voting rights so as to attract the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

c) Shareholding pattern before and after the issue of warrants to be converted into equity shares within 18 months from the date of the allotment of the warrants:

Sr. No.	Category	Pre- issue (Including Bonus)		Post-issue	
		No. of shares held	% of holding	No. of shares held	% of holding
A	Shareholding of Promoters and Promoter Group				
1	Indian Promoters	6420912	13.21	23420912	35.70
2	Foreign Promoters	0	0.00	0	0.00
	Sub-total (A)	6420912	13.21	23420912	35.70
B	Public shareholding				
3	Institutions				
a.	Financial Institutions/Banks	0	0.00	0	0.00

COUNTRY CONDO'S LIMITED



b.	Mutual Funds and UTI	0	0.00	0	0.00
c.	Venture Capital Funds	0	0.00	0	0.00
d.	FIIIs	0	0.00	0	0.00
e.	Others	0	0.00	0	0.00
	Foreign Companies	0	0.00	0	0.00
	Sub-total (B1)	0	0.00	0	0.00
2	Non-institutions				
a.	Private Corporate Bodies	3893532	8.01	3893532	5.94
b.	Indian Public	36783852	75.70	36783852	56.08
c.	NRIs and OCB	1480239	3.04	1480239	2.26
d.	Clearing members	18765	0.04	18765	0.03
e.	Others	0	0.00	0	0.00
	Sub-total (B2)	42176388	86.79	42176388	64.30
	Sub-total (B = B1+B2)	42176388	86.79	42176388	64.30
	Total (A+B)	48597300	100.00	65597300	100.00
C	Shares held by custodians and against which depository receipts have been issued	0	0.0	0	0.00
	Grand total (A+B+C)	48597300	100.00	65597300	100.00

* The Company does not have any pledged Equity Shares as on date (15th July, 2009)

Notes:

- i) The above table has been prepared on the basis of the shareholding pattern as on 15th August, 2009 and after considering the Bonus Shares to be allotted prior to the date of issue of warrants.
- ii) The above shareholding has been prepared without considering the proposal of the Company to issue capital by way of GDRs or other convertible securities, proposed issue of Equity Shares under QIP basis to QIBs but after considering the Bonus Shares. If there is such issue of capital before conversion of the aforementioned warrants, the post issue shareholding of the promoters will suitably change.
- iii) The post-issue shareholding pattern in the above table has been prepared on the basis that Sri Y. Rajeev Reddy, Proposed Chairman & Managing Director and Promoter, Sri Y. Siddharth Reddy, Proposed Joint Managing Director & CEO and Promoter and Sri Y. Varun Reddy, Proposed Joint Managing Director & COO and Promoter of the Company would have subscribed to and been allotted **1,70,00,000** (One Crore Seventy Lakhs Only) warrants to be converted into **1,70,00,000** (One Crore Seventy Lakhs Only) equity shares of Re.1/- each fully paid, of the Company within 18 months from the date of the allotment of the warrants. In the event for any reason, they does not or are unable to subscribe to and/or are not allotted the warrants, the shareholding pattern in the above table would undergo corresponding changes.

COUNTRY CONDO'S LIMITED



d) Proposed time within which the allotment shall be completed

The allotment of the warrants shall be completed within 15 days from the date of passing of resolution in the Annual General Meeting. Provided that where the issue of warrants on preferential basis is pending on account of pendency of any approval of such issue by any regulatory authority or the Central Government, the issue of warrants shall be completed within 15 days from the date of such approval.

e) Identity of proposed allottee(s) of warrants and the percentage of the post-issue capital that may be held by them on conversion of the warrants into Equity Shares of the Company

The proposed **1,70,00,000** warrants are to be issued to Sri Y. Rajeev Reddy, Proposed Chairman & Managing Director and Promoter, Sri Y. Siddharth Reddy, Proposed Joint Managing Director & CEO and Promoter and Sri Y. Varun Reddy, Proposed Joint Managing Director & COO and Promoter of the Company in the ratio mentioned in the aforementioned resolution. The allottees are proposed to be appointed on the Board and if appointed, may tantamount to acquisition of control in the Company and they deemed as promoters of the Company.

The percentage of the holding, post-conversion of warrants into equity shares to the proposed allottee(s) will be as under:

S. No.	Name of the allottee	Total shares held pre-issue of warrants after Bonus	% of pre-issue holdings to the total share capital of the Company	Total shares held after the conversion of warrants	% of holding after conversion of warrants to the total capital of the Company
1.	Y. Rajeev Reddy	977565	2.01	9477565	14.45
2.	Y. Siddharth Reddy	971520	2.00	5221520	7.96
3.	Y. Varun Reddy	1073187	2.21	5323187	8.11

f) Change in the composition of the Board of Directors and control of the Company

There will not be any change in the composition of the Board of Directors and control of the Company on account of the proposed preferential issue of warrants except that of the proposed changes as made pursuant to the Regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 earlier mentioned in the aforementioned resolution but there will be a corresponding change in the shareholding pattern as well as voting rights consequent to the **exercise of warrants so issued**.

g) Non-transferability of the securities

The warrants allotted on a preferential basis and the shares allotted pursuant to exercise of option attached to warrants issued on preferential basis as above shall be locked-in for a period of one year from the date of their allotment and the shares allotted on conversion allotted on exercise of such warrants will be subject to lock – in for a period of 3 years from the date of allotment as per the provisions of Clause 13.3.1 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000.

h) Price at which allotment is proposed

The aforesaid securities (warrants) are proposed to be issued at a price of not less than **Rs.10.64/-**, i.e. not less than **Rs.10.64/-** per Equity Share (i.e., at a Premium of **Rs.9.64/-** per equity share) issued on conversion which is the price determined by considering 11th July, 2009 as the Relevant Date determined as per the pricing formula prescribed in Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines 2000. As per SEBI Guidelines the price for issue of the Securities shall not be less than the higher of the following:

COUNTRY CONDO'S LIMITED



- (i) The average of the weekly high and low of the closing prices of the related shares quoted on the Stock Exchange during the six months preceding the relevant date; or
- (ii) The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the two weeks preceding the relevant date.

A copy of the certificate of the Company Auditor with respect to the issue price, as per the SEBI guidelines shall be placed before the shareholders at the meeting.

The **relevant date** for the purpose of determining the issue price of the warrants is **11th July, 2009**, which is 30 days prior to the date of the Annual General Meeting (**10th August, 2009**) where the approval of shareholders will be obtained for issue of warrants.

As per Section 81 (1A) of the Companies Act 1956, approval of the shareholders in the General Meeting is required for the issue of shares by way of preferential allotment as stated in the resolution. Hence, consent of the shareholders by way of special resolution is being sought for the issue of such warrants on preferential basis.

The Convertible warrants issued and pending for conversion as on the record date to be fixed for the issue of Bonus Shares are not entitled for Bonus Shares.

The Board recommends the resolution for approval.

None of the Directors except Sri Y. Rajeev Reddy, Sri Y. Siddharth Reddy and Sri Y. Varun Reddy Proposed Directors, are interested in the resolution.

Item # 15: 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.

To implement the idea and to take advantage of its presence in overseas, your Company call for additional investments aggregating USD 5 millions from the investors out side India by way of issuing Global Depository Receipts (GDR) representing underlying equity shares of Rs.10/- 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. 15 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.

COUNTRY CONDO'S LIMITED



Item # 16: 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 Institutional Placement ("QIP") in terms of Chapter XIII-A of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000. The number of Equity Shares to be issued shall not exceed 10,00,00,000 Equity Shares of Re.1/- each ("Equity Shares"). These Equity Shares will be allotted only to Qualified Institutional Buyers in accordance with the SEBI Guidelines.

As per Chapter XIII-A of the SEBI DIP Guidelines, 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 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 Guidelines and other applicable guidelines issued by any statutory authority (ies).

In accordance with the SEBI Guidelines, 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 Guidelines 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.

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

Item # 17: Re-designating Sri D. Krishna Kumar Raju as Vice Chairman and Executive Director of the Company:

Sri D. Krishna Kumar Raju, Director and Promoter, is with the Company since inception of the Company (i.e., 25th September, 1987). He has done Bachelor degree in Commerce. He possesses rich experience and exposure in the operations and administration of the Corporate. The Company has undertaken a major program of substantial expansion and modernization. The increase in the current activities of the Company has put additional responsibilities on the management of the Company and the need was felt that some of these responsibilities be shared among the experience Directors in the organization who can efficiently carry the functions of the management and operations of the Company.

Hence it was proposed to re-designate Sri D. Krishna Kumar Raju as Vice Chairman and Executive Director of the Company, at remuneration as proposed in the above mentioned resolution. The remuneration committee of the Company has approved the said resolution. As per the provisions of Section 269 read with Schedule XIII to the Companies Act, 1956, re-designation of Sri D. Krishna Kumar Raju requires the approval of members in general meeting. Board of Directors recommends the said resolution in the best interest of the Company.

The Explanatory Statement together with the accompanying notice may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

COUNTRY CONDO'S LIMITED



None of the directors are interested or concerned either directly or indirectly in the proposed Special resolution except Sri D. Krishna Kumar Raju and D. Sree Rama Raju, being relatives to each other.

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

PLACE : HYDERABAD
DATE : 15-07-2009

SD/-
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	P. V. V. Prasad
Age	43 years
Qualifications	B. Com from Andhra University
Experience	Experience in Real Estate Construction & Development, Trading and Business Administration.
Other Directorships	1

Name	D. KRISHNA KUMAR RAJU
Age	52 years
Qualifications	B. Com (Hons) from Osmania University
Experience	Experience in finance, Pharma and Real Estate & Construction Industry
Other Directorships	17

Name	G. Venkateshwar Rao
Age	46 years
Qualifications	B. A from Osmania University
Experience	Experience in Real Estate Construction & Development of Infrastructure.
Other Directorships	NIL

Name	S. Bal Reddy
Age	45 years
Qualifications	Under Graduate
Experience	Experience in Real Estate Development.
Other Directorships	NIL

COUNTRY CONDO'S LIMITED



Name	A. VSB Laxmipathi Rao
Age	53 years
Qualifications	Under Graduate
Experience	Experience in General Construction activities.
Other Directorships	NIL

Name	VK Ramudu
Age	54 years
Qualifications	Under Graduate
Experience	Experience in Real Estate Construction & Contracts.
Other Directorships	NIL

Name	Y. RAJEEV REDDY
Age	53 years
Qualifications	B. Com (Hon)
Experience	Vast Experience in Leisure and Hospitality Industry.
Other Directorships	20

Name	Y. SIDDHARTH REDDY
Age	26 years
Qualifications	Degree in Finance from University of Texas, Austin
Experience	Experience in Financial Planning and Financial Management.
Other Directorships	17

Name	Y. VARUN REDDY
Age	24 years
Qualifications	BA in Economics from University of Rutgers, New Jersey
Experience	Experience in Marketing and Corporate Communication.
Other Directorships	8

COUNTRY CONDO'S LIMITED



DIRECTORS' REPORT

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

The Directors have pleasure in presenting the 22nd Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

Particulars	Year ended 31.03.2009 (12 Months)	Year ended 31.03.2008 (9 Months)
Turnover	101.28	76.77
Profit / (Loss)	8.94	(25.48)
Balance brought forward	(1489.13)	(1468.99)
Balance carried forward	(18.16)	(1489.13)

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.101.28 Lakhs comparing Last years 76.77 Lakhs only and has achieved a Profit of Rs.8.94 Lakhs as against the loss of Rs.25.48 Lakhs for the previous year.

And the Company was incurring losses from several years and its accumulated loss is Rs.18,15,607. During the year the Company has obtained the final order from the Hon'ble High Court of Andhra Pradesh, Hyderabad on 1st September, 2009 where by Rs.14,57,91,900/- losses has been set off by reducing the Paid up Capital from Rs.16.20 Crores to Rs.1.61 Crores. 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 to diversify / proposed to diversify its activities into real estate, construction, infrastructure, activities in the area of entertainment, travel, leisure spending, etc.,

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.
- (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 change in the constitution of the Board of Directors.

Sri G. Venkateshwar Rao, Sri S. Bal Reddy, Sri A. VSB Laxmipathi Rao and Sri VK Ramudu were appointed as Additional Directors in the Board Meeting held on 6th July, 2009. They are proposed to be regularized in ensuring 22nd Annual General Meeting.

The Appointment of Sri Y. Rajeev Reddy, Sri Y. Siddharth Reddy and Sri Y. Varun Reddy have been proposed for approval of the members through postal ballots, the result of which will be declared at the ensuring 22nd Annual General Meeting and also proposed for approval of members in the ensuring Annual General Meeting in terms of Regulation 12 of SEBI (SAST) Regulations, 2000.

Sri Ch Srinivas and Sri P. Krupavaram tendered their resignation from the Director of the Company which was accepted by the Board in its meeting held on 6th July, 2009.

Sri P. V. V. Prasad and Sri D. Krishna Kumar Raju, retires by rotation at the ensuing 22nd 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 Company has obtained the necessary order from the Hon'ble High Court of Andhra Pradesh, Hyderabad on 1st September, 2008 and also obtained the necessary Trading and Listing permission from the National Stock Exchange of India Limited, Mumbai and Bombay Stock Exchange Limited, Mumbai.

REVOCATION OF SUSPENSION OF TRADING AT DSE

Your Directors pleased to inform that the Delhi Stock Exchange Limited, New Delhi has resumed the trading in securities of the Company vide its letter dated 22nd June, 2009 enabling the members to deal in the securities.

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 31-03-2009, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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- 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:

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 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.

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 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.

COUNTRY CONDO'S LIMITED



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.

F. ANALYSIS OF FINANCEIAL PARAMETERS

Financial Performance

Our Company has shown the growth with Turnover up from Rs.77 Lakhs to Rs.101 Lakhs, increasing by a strong 30% increase. Our EBIT in the Financial Year 2008-09 is Rs.8.94 Lakhs as against the loss of Rs.25.48 Lakhs for the Previous Financial Year 2007-08. 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

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 : 15-07-2009

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 7 Directors with a Non - Executive Chairman. Out of 7 Directors, 4 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, 2009.
- 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 and Shareholders / Investors Grievance Committees.
- d) 11 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 April, 2008, 30th July, 2008, 4th September, 2008, 24th October, 2008, 30th October, 2008, 21st November, 2008, 8th December, 2008, 30th January, 2009, 16th February, 2009, 28th February, 2009 and 13th March, 2009.

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	5	2	10	Yes
Sri. D. Sree Rama Raju	Managing Director	Nil	Nil	11	Yes

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Sri. P. V. V. Prasad	Independent Non-Executive	Nil	3	11	Yes
Sri. P. Krupavaram*	Independent Non-Executive	Nil	2	11	Yes
Sri. Ch. Srinivas*	Independent Non-Executive	Nil	2	11	Yes
G. Venkateshwar Rao**	Independent Non-Executive	Nil	3	NA	NA
S. Bal Reddy**	Independent Non-Executive	Nil	3	NA	NA
A. VSB Laxmipathi Rao**	Independent Non-Executive	Nil	Nil	NA	NA
VK Ramudu**	Independent Non-Executive	Nil	Nil	NA	NA

* Ceased as Director with effect from 06th July, 2009.

** Appointed as an Additional Director with effect from 06th July, 2009.

- 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
 - 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.

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- 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 2008 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 2008-09)	No. of Meetings HELD (During the year 2008-09)
Sri. P. V. V. Prasad	Independent, Non-Executive	Chairman	4	4
Sri. Ch. Srinivas*	Independent, Non-Executive	Member	4	4
Sri. P. Krupavaram*	Independent, Non-Executive	Member	4	4
G. Venkateshwar Rao**	Independent, Non-Executive	Member	NA	NA
S. Bal Reddy**	Independent, Non-Executive	Member	NA	NA

* Ceased as Member of Audit Committee with effect from 06th July, 2009.

** Appointed as Member of Audit Committee with effect from 06th July, 2009.

- V) Four Audit Committee meetings were held during the year. The dates on which the said meetings were held are as follows: April 30, 2008, July 30, 2008, October 30, 2008, and January 30, 2009

The necessary quorum was present at all the meetings.

4. REMUNERATION COMMITTEE

The Company has constituted a "Remuneration Committee" on 06th July, 2009 consisting of the following Non-Executive Independent Director:

Name of the Director	Category	Designation	No. of Meetings ATTENDED (During the year 2008-09)	No. of Meetings HELD (During the year 2008-09)
Sri. P. V. V. Prasad	Independent, Non-Executive	Chairman	NA	NA
G. Venkateshwar Rao	Independent, Non-Executive	Member	NA	NA
S. Bal Reddy	Independent, Non-Executive	Member	NA	NA

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 2008-09)	No. of Meetings HELD (During the year 2008-09)
Sri. P. Krupavaram*	Independent, Non-Executive	Chairman	4	4
Sri. Ch. Srinivas*	Independent, Non-Executive	Member	4	4
Sri. P. V. V. Prasad	Independent, Non-Executive	Member	4	4
G. Venkateshwar Rao**	Independent, Non-Executive	Chairman	NA	NA
S. Bal Reddy**	Independent, Non-Executive	Member	NA	NA

* Ceased as Member of Committee with effect from 06th July, 2009.

** Appointed as Member of Committee with effect from 06th July, 2009.

Sri Laxmikanth Jakhota, Company Secretary is the Compliance Officer.

The total No. of Complaints received and resolved during the year were: 04.

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. Aarhi Consultants Private Limited.

The outstanding complaints as on 31st March, 2009 were: NIL

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

AGM & YEAR	VENUE	DATE & TIME	SPECIAL RESOLUTIONS PASSED
21 st AGM 2007-2008	Sri Vasavi Arya Vysya Sangam, Kattedan Hyderabad - 500 077	29-09-2008 12.00 Noon	No special resolution passed.
20 th AGM 2006-2007	Sri Vasavi Arya Vysya Sangam, Kattedan Hyderabad - 500 077	29-09-2007 10.00.a.m.	For Reduction of Capital from Rs.16,19,99,100 divided into 1,61,99,100 Equity Shares of Rs.10/- each to Rs.1.61,99,100 divided into 1,61,99,100 Equity Shares of Re.1/- each.
19 th AGM 2005-2006	G-4/3, SEIE, Kattedan, Hyderabad - 500 077	29-09-2006 10.00.a.m.	No special resolution passed.

Special Resolution passed through postal ballot during the year:

Two Special Resolutions were passed on 10th October, 2008, through Postal Ballot which could not be implemented and were lost. However, the Company had obtained fresh consent from the members on 20th April, 2009, through Postal Ballot and accordingly implemented the resolutions. The details are as follows:

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Under section 17 of the Companies Act, 1956 for Alteration of Objects Clause of Memorandum of Association of the Company and Commencement of new Business(s) and activities specified in Other Objects Clause of Memorandum of Association of the Company. Details of aforesaid special resolution passed through Postal Ballot are as under:

- a) **Person who conducted the Postal Ballot exercise:** The board appointed Sri N. V. S. S. Suryanarayana Rao, Practicing Company Secretary, as a Scrutinizer to conduct postal ballot voting process. Sri N. V. S. S. Suryanarayana Rao conducted the process and submitted his Report to Mr. Krishna Kumar Raju, Chairman of the Company.
- a) **Procedure followed:**
 - (i) The Postal Ballot Notice and accompanying documents were dispatched to shareholders certificate of Posting.
 - (ii) A Calendar of events along with Board Resolution was submitted to the Registrar of Companies, Andhra Pradesh, Hyderabad.
- b) **Details of voting pattern:** After scrutinizing all the ballot forms received, the Scrutinizer reported that the Shareholders voted in favour of the resolution with overwhelming majority.

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

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 Directors Report.

12. GENERAL SHARE HOLDER INFORMATION:

(I) Annual General Meeting	
Date	10 th August, 2009
Time	2.00 P.M
Venue	Sri Agrasen Bhavan, # 149, Brig. Sayeed Road, Sappers Line, Secunderabad - 500 003

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(ii) Financial Calendar 1 st April, 2009 to 31 st March, 2010						
And the Financial Reporting will be as follows:						
Quarter ending June 30, 2009			Last week of July, 2009			
Quarter ending September 30, 2009			Last week of October, 2009			
Quarter ending December 31, 2009			Last week of January, 2010			
Quarter ending March 31, 2010			Last week of April, 2010			
Annual General Meeting for FY ended 31 st March, 2010			Before end of September, 2010			
(III) Date of Book Closure			6 th August, 2009 to 7 th August, 2009 (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				
(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) & Bombay Stock Exchange Limited (BSE) from July, 2008. Hence the Market Price data monthly High and Low can be provided as per the quote on the NSE & BSE as under:			
Month	Bombay Stock Exchange Limited		The National Stock Exchange of India Limited		Delhi Stock Exchange Limited	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
April, 2008	---	---	27.95	20.50	---	---
May, 2008	---	---	23.95	22.10	---	---
June, 2008	---	---	29.95	22.05	---	---
July, 2008	31.90	26.86	33.75	22.30	---	---
August, 2008	29.00	20.55	29.10	20.70	---	---
September, 2008	24.00	16.75	23.90	15.05	---	---
October, 2008	16.50	7.10	16.50	6.95	---	---
November, 2008	8.27	6.52	9.85	7.30	---	---
December, 2008	---	---	---	---	---	---
January, 2009	16.95	6.41	16.10	6.55	---	---
February, 2009	8.85	5.95	8.20	5.60	---	---
March, 2009	6.97	4.84	7.10	5.00	---	---

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(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.aarhiconsultants.com
Email: info@aarhiconsultants.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.aarhiconsultants.com
Email: info@aarhiconsultants.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.

(XI) (a) **Distribution of Shareholding as on 31-03-2009**

Share Holding of Nominal Value		Share Holders		Share Amount	
Rs.	Rs.	Numbers	% of Total	In Rs.	% of Total
(1)	(1)	(2)	(3)	(4)	(5)
Upto	5,000	8013	95.94	6598118	40.73
5,001	10,000	191	2.29	1496459	9.24
10,001	20,000	63	0.75	959076	5.92
20,001	30,000	24	0.29	606296	3.74
30,001	40,000	19	0.23	670377	4.14
40,001	50,000	8	0.09	362238	2.24
50,001	1,00,000	15	0.18	1069899	6.60
1,00,001	and above	19	0.23	4436637	27.39
TOTAL		8352	100.00%	16199100	100.00 %

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(XI) (b) According to the categories of Shareholding as on 31-03-2009

	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
(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	1297844	8.01
b.	Individuals		
	i). Individual Shareholders holding Nominal Share Capital upto Rs. 1 Lakh	10222991	63.11
	ii). Individual Shareholders holding Nominal Share Capital in excess of Rs. 1 Lakh	3045715	18.80
	Others:		
c.	Non- Residents Individuals	493413	3.04
d.	Overseas Corporate Bodies	---	---
e.	Trusts	---	---
f.	Employees	---	---
g.	Clearing Members	6255	0.04
	Sub-Total (B)(2)	15066218	93.00
	Total Public Shareholding B = (B)(1) + (B)(2)	15066218	93.00
	TOTAL (A+B)	16199100	100.00
(C)	Shares held by Custodians and against Depositories Receipts have been issued	000	000
	GRAND TOTAL (A+B+C)	16199100	100.00

COUNTRY CONDO'S LIMITED



(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). **72.96%** of the Company's share capital are dematerialized as on 31st March, 2009.

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**

(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:

8-2-703, Mahogany Complex,
Ground Floor, Amrutha Valley,
Road No.12, Banjara Hills,
Hyderabad – 500 034
Ph: 040-64541609
Fax: 040-66833954
Email: info@countrycondos.co.in
countrycondos@gmail.com

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

PLACE : HYDERABAD
DATE : 15-07-2009

SD/-
D. KRISHNA KUMAR RAJU
CHAIRMAN

SD/-
D.SREE RAMA RAJU
MANAGING DIRECTOR



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 Country Condo's Limited hereby declare that all the Board members and senior managerial personnel have affirmed for the year ended 31st March, 2009 compliance with the code of conduct of the Company laid down for them.

Sd/-
D. Sree Rama Raju,
Managing Director

Place : Hyderabad
Date : 15.07.2009

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

I, D. Sree Rama Raju, Managing Director 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, 2009 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.

Sd/-
D. Sree Rama Raju
Managing Director

Place : Hyderabad
Date : 15.07.2009

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, 2009.

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 : 15-07-2009

SD/-
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, 2009 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, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March , 2009 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 ;

COUNTRY CONDO'S LIMITED



- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - (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

PLACE : HYDERABAD
DATE : 15-07-2009

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 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 inventory and hence this clause is not applicable.
- III. (a) The Company has 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 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 the contracts or arrangements made by the company, at a reasonable price having regard to the prevailing market prices at the relevant time .

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 except the orders received by the Company from the Hon'ble High Court of Andhra Pradesh, Hyderabad approving the Scheme of Capital Reduction.
- 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, 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 not more than fifty percent of its net worth and the company has not incurred cash losses in this financial but has not incurred cash losses 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.

COUNTRY CONDO'S LIMITED



- 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 : 15-07-2009

P.MURALI MOHANA RAO
PARTNER

COUNTRY CONDO'S LIMITED



COUNTRY CONDO'S LIMITED			
BALANCE SHEET AS AT 31st MARCH, 2009			
PARTICULARS	SCHEDULE NO'S	AS AT 31-03-2009 (Rupees)	AS AT 31.03.08 (Rupees)
I SOURCES OF FUNDS			
1. SHAREHOLDERS FUNDS			
a. Capital	1	16,199,100	161,991,000
b. Reserves & Surplus	2	37,113,500	37,113,500
2. LOAN FUNDS			
a. Secured Loans		-	-
b. Unsecured Loans		17,585,000	17,585,000
3. DEFERRED INCOME TAX LIABILITY			
		18,324,322	18,995,400
TOTAL		89,221,922	235,684,900
II APPLICATION OF FUNDS			
1. FIXED ASSETS			
a. Gross Block	3	109,290,951	109,029,096
Less Depreciation		52,381,009	47,151,668
b. Net Block		56,909,942	61,877,428
2. CURRENT ASSETS, LOANS & ADVANCES			
a. Closing work-in-process		88,241,304	13,374,447
b. Loans & Advances	4	162,609,314	39,417,164
c. Cash & Bank Balance	5	6,717,740	7,507,627
Less: Current Liabilities & Provisions	6	227,071,987	35,404,913
NET CURRENT ASSETS		30,496,371	24,894,325
3. PROFIT & LOSS ACCOUNT			
	7	1,815,609	148,913,147
TOTAL		89,221,922	235,684,900
NOTES TO ACCOUNTS			
		9	
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 : 15.07.2009		LAXMIKANTH JAKHOTIA COMPANY SECRETARY	

COUNTRY CONDO'S LIMITED



COUNTRY CONDO'S LIMITED			
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009			
PARTICULARS	SCHEDULE NO'S	ENDING 31-03-2009 (Rupees)	ENDING 31.03.2008 (Rupees)
1 INCOME			
Sales / Income from Operations		10,128,118	7,671,235
Other Income		-	6,180
Closing Work-in-Progress		88,241,304	13,374,447
TOTAL		98,369,422	21,051,862
2 EXPENDITURE			
Opening WIP		13,374,447	-
Purchases		-	12,196,130
Land Development Charges		45,983,312	-
Administrative Expenses	8	32,888,135	7,513,187
Depreciation		5,229,341	3,890,911
TOTAL		97,475,235	23,600,228
3 PROFIT / (LOSS) BEFORE TAX		894,187	(2,548,366)
4 PROVISION FOR TAXES		259,627	-
5 DEFERRED INCOME TAX ASSET		671,078	534,804
6 PROFIT / (LOSS) AFTER TAX		1,305,638	(2,013,562)
7 BALANCE BROUGHT FORWARD PROFIT/(LOSS)		(148,913,147)	(146,899,585)
8 SHARE CAPITAL REDUCTIONS (AS PER HIGH COURT ORDER)		145,791,900	-
9 BALANCE CARRIED FORWARD		(1,815,609)	(148,913,147)
EARNINGS PER SHARE		0.08	(0.12)
NOTES TO ACCOUNTS	9	-	-
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 : 15.07.2009	LAXMIKANTH JAKHOTIA COMPANY SECRETARY		

COUNTRY CONDO'S LIMITED



COUNTRY CONDO'S LIMITED		
SCHEDULE 1		
SHARE CAPITAL		
PARTICULARS	AS AT 31.03.2009 (Rupees)	AS AT 31.03.2008 (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 (Previous Year)		161,991,000
16,199,100 Shares of Rs.1/-Each (Current Year)	16,199,100	
(paid-up capital of the Company reduced from Rs.16,19,91,000/- to Rs.1,61,99,100/- by reducing the face value of the share from Rs.10/- to Re.1/-u/s 100 as per order of Hon'ble High Court of AP)		
Sub-Total	<u>16,199,100</u>	<u>161,991,000</u>
SCHEDULE 2		
RESERVES & SURPLUS		
PARTICULARS	AS AT 31.03.2009 (Rupees)	AS AT 31.03.2008 (Rupees)
Security Premium	3,500,000	3,500,000
3,078,000 Security Premium of Rs.8/-Each	24,624,000	24,624,000
2,996,500 Security Premium of Rs.3/-Each	8,989,500	8,989,500
Sub-Total	<u>37,113,500</u>	<u>37,113,500</u>
SCHEDULE 4		
LOANS & ADVANCES		
PARTICULARS	AS AT 31.03.2009 (Rupees)	AS AT 31.03.2008 (Rupees)
Advances & Others	161,586,314	38,394,164
Deposits	1,023,000	1,023,000
Sub-Total	<u>162,609,314</u>	<u>39,417,164</u>
SCHEDULE 5		
CASH & BANK BALANCES		
PARTICULARS	AS AT 31.03.2009 (Rupees)	AS AT 31.03.2008 (Rupees)
Cash in hand	5,308,846	198,985
Balances with Banks	1,408,894	7,308,642
Sub-Total	<u>6,717,740</u>	<u>7,507,627</u>

COUNTRY CONDO'S LIMITED



SCHEDULE - 3 FIXED ASSETS CONSOLIDATED COUNTRY CONDO'S LIMITED Depreciation Schedule

Particulars	Gross Block as on		Additions during the year	Sale of assets during the year	Gross Block as at 31.03.2009	Depreciation upto 31.03.2008	Depreciation upto 31.03.2009	Depreciation on Sale of assets	Total Depreciation 31.03.2009	Net Block as at 31.03.2009	Net Block as at 31.03.2008
	01.04.2008	31.03.2008									
Furniture & Fixtures	677,674	677,674	44,443	-	722,117	494,396	44,871	-	539,267	182,850	183,278
Plant & Machinery	105,172,017	105,172,017	-	-	105,172,017	44,740,738	4,995,671	-	49,736,409	55,435,608	60,431,279
Air Conditioner	-	-	47,000	-	47,000	-	1,921	-	1,921	45,079	-
Art Work	330,526	330,526	-	-	330,526	210,250	15,700	-	225,950	104,576	120,276
Blocks	597,574	597,574	-	-	597,574	379,834	28,385	-	408,219	189,355	211,740
Fax/Machine	-	-	12,064	-	12,064	-	1,870	-	1,870	10,194	-
Cylinders	918,456	918,456	-	-	918,456	579,861	43,627	-	623,488	294,968	338,595
Mobiles	-	-	23,298	-	23,298	-	745	-	745	22,553	-
Vehicles	85,389	85,389	-	-	85,389	46,741	8,112	-	54,853	30,536	38,648
Misc. fixed Assets	1,132,760	1,132,760	-	-	1,132,760	686,823	53,806	-	760,629	382,131	435,937
Computers	89,000	89,000	118,900	-	207,900	2,178	28,595	-	30,773	177,167	86,822
UPS	-	-	3,500	-	3,500	-	547	-	547	2,953	-
Printers	22,500	22,500	12,650	-	35,150	819	5,012	-	5,831	29,319	21,681
Scanner	3,200	3,200	-	-	3,200	28	519	-	547	2,653	3,172
Total	109,029,096	109,290,951	261,555	-	109,290,951	47,151,668	5,229,341	-	52,381,009	56,909,942	61,871,428

COUNTRY CONDO'S LIMITED



SCHEDULE 6		
CURRENT LIABILITIES & PROVISIONS		
PARTICULARS	AS AT 31.03.2009 (Rupees)	AS AT 31.03.2008 (Rupees)
Sundry Creditors	5,963,118	582,019
Advances received	107,010,455	32,655,631
Registration & Development Charges	110,650,760	1,211,087
Outstanding Expenses & Provisions	3,188,027	956,176
Provision for Income Tax	100,430	-
Provision for FBT	159,197	-
Sub-Total	227,071,987	35,404,913
SCHEDULE 7		
PROFIT AND LOSS ACCOUNT		
PARTICULARS	AS AT 31.03.2009 (Rupees)	AS AT 31.03.2008 (Rupees)
Balance brought forward profit / (loss)	(148,913,147)	(146,899,585)
Share Capital Reduction (as per High Court order)	145,791,900	-
Balance from Profit & Loss	1,305,638	(2,013,562)
Sub-Total	(1,815,609)	(148,913,147)
SCHEDULE- 8		
ADMINISTRATIVE EXPENSES		
PARTICULARS	YEAR ENDED 31.03.2009 (Rupees)	YEAR ENDED 31.03.2008 (Rupees)
Salaries	16,619,118	4,169,788
Advertisement Charges	96,820	32,160
Travelling & Conveyance	1,509,823	275,350
Telephone Expenses	341,740	83,871
Postage & Telegrams	22,687	517
Electricity Charges & Maintenance	8,615	-
Donation A/c	10,000	-
Maintenance Exp.	132,424	107,745
Rent	106,900	-
Rates & Taxes	3,973	14,360
ROC & Filing Fee	934,223	3,150
Audit Fee	82,725	61,800
Share Transfer Fee	163,714	69,719
NSE Listing Fee & BSE Listing Fee	987,942	256,852
CSDL Fee	-	14,406
Bank Charges	470,423	191,883
Consultancy charges	4,063,547	70,000
Printing & Stationery	452,971	44,442
Books & Periodicals	43,994	-
Business Promotion A/C	6,486	-
Commission	6,488,750	-
Registration Charges	2,144	-
Other Administrative Expenses	339,116	2,117,144
Sub-Total	32,888,135	7,513,187

SCHEDULE - 9

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.

COUNTRY CONDO'S LIMITED



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 in qualifying period of service for entitlement of this benefit

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

Auditor's Remuneration :	<u>Current Year (Rs.)</u>	<u>Previous Year (Rs.)</u>
Audit Fee	61,800/-	61,800/-

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 Realestate and Construction.

Opening WIP	Rs. 1,33,74,447/-
Land Development During the Year (2008-09)	Rs. 4,59,83,312/-
Closing WIP	Rs. 8,82,41,304/-

4. As per Andhra Pradesh High Court Order dated 17.10.2008 vide CP No.28 of 2008 the paid-up capital of the Company reduced from Rs.16,19,91,900/- divided into 1,61,99,100 shares of Rs.10/- each to Rs.1,61,99,100/- divided into 1,61,99,100 equity shares of Re.1/- each as fully paid up and such reduction is effected by cancelling the equity share capital of Rs.14,57,91,900/- which has been lost or is unrepresented by available assets, to the extent of Rs.9/- per equity share in each and every share of the company which have been issued. Hence the accumulated losses of the company has been reduced to the tune of Rs.14,57,91,900/- .

5. There are no dues to SSI Units outstanding for more than 30 days.

6. The confirmationsn from Creditors were obtained as to the balances payable to them as at year end.

COUNTRY CONDO'S LIMITED



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.6,71,078/- towards deferred incometax Asset (Previous Year Rs. 5,34,804/- towards deferred income tax Asset)..
8. The Accounts have been closed for a earlier period from 1st July, 2007 to 31st March, 2008 and hence the current 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 SCHEDULES 1 To 9

As per our report of even date
For P.MURALI & CO.,
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Country Condo's Limited

P.Murali Mohana Rao
Partner

D.Krishna Kumar Raju
Chairman

D.Sree Rama Raju
Managing Director

Place : Hyderabad
Date : 15-07-2009

LAXMIKANTH JAKHOTIA
Company Secretary



M/s. Country Condo's Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009		
	31.03.2009 (Rs..in Lakhs)	31.03.2008 (Rs..in Lakhs)
CASH FLOW FROM OPERATING ACTIVITIES:		
A. Net profit/(Loss) before taxation, and extraordinary Items	8.94	(25.48)
Adjustments for:		
Depreciation	52.29	38.91
Interest expenses		
Bad debts		
Misc Expenses		
Loss on sale of fixed assets		
Operating Profit before working capital changes	61.24	13.43
Inventories	(748.67)	(169.94)
Loans and Advances	(1231.92)	(127.76)
Trade payables	1914.07	333.62
Cash generated from operations	(5.28)	49.35
Expenditure on Patents		
Net Cash Flow Operating Activities	(5.28)	49.35
Net Cash Flow After Extraordinary Items	(5.28)	49.35
CASH FLOW FROM INVESTING ACTIVITIES:		
B. Purchase of fixed assets	(2.62)	(1.84)
Capital work in process, preoperative		
Investments		
Profit & Loss account	-	-
Sale/adjustment of Fixed Assets		
NET CASH USED IN INVESTING ACTIVITIES	-	(1.84)
CASH FLOW FROM FINANCING ACTIVITIES:		
C. Proceeds from share capital	-	-
Secured loan Taken		
Unsecured Loan		(0.25)
Interest paid		
NET CASH USED IN FINANCING ACTIVITIES	-	(0.25)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(7.90)	47.26
Cash and Cash equivalents as at (Opening Balance)	75.08	27.82
Cash and Cash equivalents as at (Closing Balance)	67.18	75.08
<p>AS PER OUR REPORT OF EVEN DATE FOR AND ON BEHALF OF THE BOARD for P. MURALI & CO., For COUNTRY CONDO'S LIMITED CHARTERED ACCOUNTANTS</p> <p>P.MURALI MOHANA RAO D.KRISHNA KUMAR RAJU D.S.RAJU PARTNER CHAIRMAN MANAGING DIRECTOR</p> <p>PLACE: HYDERABAD LAXMIKANTH JAKHOTIA DATE : 15.07.2009 COMPANY SECRETARY</p>		
<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 period ended 31st March, 2009. 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 arrangement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 15th July, 2009 to the number of the Company.</p> <p style="text-align: right;">for P. MURALI & CO., CHARTERED ACCOUNTANTS</p> <p>PLACE: HYDERABAD P. MURALI MOHANA RAO DATE : 15.07.2009 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 L63040AP1987PLC007811 State Code: 01
 Balance Sheet Date 31.03.2009

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

PUBLIC ISSUE NIL	RIGHT ISSUE NIL
BONUS ISSUE NIL	PRIVATE PLACEMENT NIL

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

TOTAL LIABILITIES 89221	TOTAL ASSEST 89221
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SOURCE OF FUNDS

PAID-UP CAPITAL 16199	RESERVES & SURPLUS 37113
SECURED LOANS NIL	UNSECURED LOANS 17585
	DEFFERED TAX 18324

APPLICATION OF FUNDS

NET FIXED ASSETS 56909	INVESTMENTS NIL
NET CURRENTS ASSETS 30496	MISC. EXPENDITURE NIL
ACCUMULATED LOSSES 1815	

IV PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSAND)

TURNOVER 10128	TOTAL EXPENDITURE 97474
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+ - PROFIT / LOSS BEFORE TAX	+ - PROFIT / LOSS AFTER TAX
+ 894	+ 1305

EARNING PER SHARES IN RS. 0.08	DIVIDEND RATE % NIL
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For and on behalf of the Board
 For COUNTRY CONDO'S LIMITED

D. KRISHNA KUMAR RAJU CHAIMAN	D. SREE RAMA RAJU MANAGING DIRECTOR
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PLACE: HYDERABAD
 DATE: 15.07.2009

LAXMIKANTH JAKHOTIA
 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 22nd Annual General Meeting of the Company to be held on Monday, the 10th August, 2009 at 02.00
P.M at Sri Agrasen Bhavan, # 149, Brig. Sayeed Road, Sappers Line, Secunderabad - 500 003 and at any adjournment
thereof.

Signed this..... day of _____ 2009.

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

Shares held

DP ID.....

Client ID.....

I hereby record my presence at the 22nd Annual General Meeting of the Company to be held on Monday, the 10th August, 2009 at 02.00 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.