



# **COUNTRY CONDO'S LIMITED**

(FORMERLY KNOWN AS NEOCURE THERAPEUTICS LIMITED)

## **2009-2010**

### ***23<sup>rd</sup> ANNUAL REPORT***

# COUNTRY CONDO'S LIMITED



## BOARD OF DIRECTORS

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

## COMPANY SECRETARY

Sri J. Laxmikanth

## BANKERS

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: info@countrycondos.co.in

## SHARE TRANSFER AGENTS

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

## LISTING AT

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

## COUNTRY CONDO'S LIMITED



### NOTICE

NOTICE is hereby given that the 23<sup>rd</sup> Annual General Meeting of the members of Country Condo's Limited (formerly known as Neocure Therapeutics Limited) will be held on **Wednesday, the 29<sup>th</sup> day of September, 2010 at 11.30 A.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 31<sup>st</sup> March, 2010 and the Balance Sheet as on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Sri Y. Siddharth Reddy, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri G. Venkateshwar Rao, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sri S. Bal Reddy, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

#### SPECIAL BUSINESS:

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

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

**RESOLVED FURTHER THAT** the Company and/or agency or body authorized by the Company may issue Depository Receipts representing the underlying equity shares issued by the Company in register and bearer form with such 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.”

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

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

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

**RESOLVED FURTHER THAT** the relevant date for the purposes of determining the floor price of the Equity Shares shall be in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended 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 /

## COUNTRY CONDO'S LIMITED



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

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

PLACE : HYDERABAD  
DATE : 04-09-2010

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 OF THE COMPANY.**
- b) **PROXIES TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**
- c) The relevant explanatory statement in respect of the special business set out above, as required by Section 173(2) of the Companies Act, 1956 is annexed hereto.
- d) The Register of Members and Share Transfer Books of the Company will remain closed from 27-09-2010 to 29-09-2010 (both days inclusive).
- e) Members holding shares in physical form are requested to notify / send any change in their address to the Company's share transfer agents, M/s. 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 with their Folio Number(s).
- f) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- g) Pursuant to Clause 49 of the Listing Agreement, brief profile of the Directors appointed / Re-appointed is given as annexure at Page No. 6.

### EXPLANATORY STATEMENT

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

#### Item # 6: International Offering of Securities through GDR:

The members are aware that your Company is consistently adhering to provide best quality of services in its operating segments in spite of up and downs in the industry concerned and global economy as a whole. As informed above, in process of analysis of future plans and strategy to grow in multiple avenues, your Directors are contemplating to provide the present services across the border in the best possible option, mechanisms and combinations of result

## COUNTRY CONDO'S LIMITED



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 200 millions from the investors out side India by way of issuing Global Depository Receipts (GDR) representing underlying equity shares of Re.1/- each in the Company with or without premium. The proposed issue is with in the parameters of the Foreign Direct investments (FDI) guidelines and sectoral limits specified therein by the Government of India.

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

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

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

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

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

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

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

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

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

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

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

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

## COUNTRY CONDO'S LIMITED



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.

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

PLACE : HYDERABAD  
DATE : 04-09-2010

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	<b>Y. SIDDHARTH REDDY</b>
Age	27 years
Qualifications	Degree in Finance from University of Texas, Austin
Experience	Experience in Financial Planning and Financial Management.
Other Directorships	17

Name	<b>G. Venkateshwar Rao</b>
Age	47 years
Qualifications	B. A from Osmania University
Experience	Experience in Real Estate Construction & Development of Infrastructure.
Other Directorships	NIL

Name	<b>S. Bal Reddy</b>
Age	46 years
Qualifications	Under Graduate
Experience	Rich Experience in Hotel & Hospitality Industry.
Other Directorships	NIL

# COUNTRY CONDO'S LIMITED



## DIRECTORS' REPORT

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

The Directors have pleasure in presenting the 23<sup>rd</sup> Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2010.

### FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Year ended 31.03.2010 (12 Months)	Year ended 31.03.2009 (12 Months)
Turnover	117.07	101.28
Profit / (Loss)	32.46	8.94
Balance brought forward	(18.16)	(1489.13)
Balance carried forward	4.64	(18.16)

### 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 ₹117.07 Lakhs comparing Last years ₹101.28 Lakhs only and has achieved a Profit of ₹32.46 Lakhs as against the Profit of ₹8.94 Lakhs for the previous year which includes a lease rent income of ₹14.22 which has been occurred after successful amalgamation of M/s. Country Club Bangalore Limited with the Company.

The Company had incurred losses from several years, however, during this year the Company has written off all of its accumulated losses of previous years and after writing off, all its losses the Company had a net Profit of ₹4,64,541. The entire Profits of the Company had been transferred to General Reserves to strengthen the Reserves of the Company.

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

### SHARE CAPITAL

#### INCREASE OF AUTHORISED SHARE CAPITAL

Your Company has increased the Authorised Share Capital to ₹35,00,00,000/- (Rupees Thirty Five Crores Only) divided into 35,00,00,000 (Thirty Five Crores) Equity Shares of ₹1/- (Rupee One) each.

#### ISSUE OF BONUS SHARES

Your Company has issued Bonus Shares on 08<sup>th</sup> September, 2009 in the ratio of 2:1 out of Securities Premium Account up to the tune of ₹3,23,98,200/- after taking your approval at 22<sup>nd</sup> Annual General Meeting held on 10<sup>th</sup> August, 2009. The total no. of shares after Bonus issue is 4,85,97,300 equity share of ₹1/-each amounting to ₹4,85,97,300/-.

## COUNTRY CONDO'S LIMITED



### ISSUE OF WARRANTS ON PREFERENTIAL BASIS

Your Company has issued convertible warrants to finance its expansion and acquisition plans. 1,70,00,000 share warrants of ₹10.64/- each to be converted into equity shares of ₹1/- each at a premium of ₹9.64/- has been issued on 24<sup>th</sup> August, 2009 after taking your approval at 22<sup>nd</sup> Annual General Meeting held on 10<sup>th</sup> August, 2009. The said warrants is required to be converted into fully paid up equity shares within 18 months from the date of issue i.e., on or before 23<sup>rd</sup> February, 2011 or else will be forfeited.

### AMALGAMATION OF M/S. COUNTRY CLUB BANGALORE LTD WITH THE COMPANY

As you are aware that the Company had obtained your approval at the Court Convened Extra – Ordinary General Meeting held on 20<sup>th</sup> March, 2010 for approving the Scheme of Amalgamation of M/s. Country Club Bangalore Limited with the Company (ie., M/s. Country Condo's Limited). In this regard the Hon'ble High Court of Andhra Pradesh has approved the Scheme and passed the Order on dated 29<sup>th</sup> April, 2010 vide CP No.61 & 62 of 2010 and obtained certified copy of the order on dated 15<sup>th</sup> June, 2010. The Swap ratio for allotment of shares is 5:29 i.e. for every 5 shares of Country Club Bangalore Limited 29 shares of Country Condo's Limited is recommended fair for appointed date 1<sup>st</sup> October, 2009. Accordingly 2,90,00,000 shares @ ₹1/- amounting to ₹2,90,00,000 has been issued by the Company on 16<sup>th</sup> July, 2010. Later the Company has obtained the necessary Trading and Listing approvals from M/s. Bombay Stock Exchange Limited, Mumbai on 5<sup>th</sup> August, 2010, M/s. National Stock Exchange of India Limited, Mumbai on 6<sup>th</sup> August, 2010 and M/s. Delhi Stock Exchange Limited, New Delhi on 30<sup>th</sup> August, 2010.

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

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

### PARTICULARS OF EMPLOYEES

In pursuance of the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, the Directors are to report that no employee was in receipt of remuneration of ₹24,00,000/- or more per annum or ₹2,00,000/- or more per month where employed for a part of the year.

### BOARD OF DIRECTORS

During the FY 2009-10, there was a 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 Directors of the Company whose office were liable to retire by rotation by regularizing them in the 22<sup>nd</sup> Annual General Meeting.

The Appointment of Sri Y. Rajeev Reddy, Sri Y. Siddharth Reddy and Sri Y. Varun Reddy have been approved by the members through postal ballots & at 22<sup>nd</sup> Annual General Meeting in terms of Regulation 12 of SEBI (SAST) Regulations, 2000.

## **COUNTRY CONDO'S LIMITED**



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 6<sup>th</sup> July, 2009 and Sri D. Sree Rama Raju tendered his resignation from the Managing Director of the Company which was accepted by the Board in its meeting held on 23<sup>rd</sup> September, 2009.

Sri Y. Siddharth Reddy, Sri G. Venkateshwar Rao and Sri S. Bal Reddy, retires by rotation at the ensuing 23<sup>rd</sup> Annual General Meeting and being eligible offer themselves for re-appointment.

### **FIXED DEPOSITS**

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

### **STATUTORY AUDITORS**

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

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

### **DIRECTORS RESPONSIBILITY STATEMENT**

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

- i) in the preparation of the Annual Accounts ending 31-03-2010, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the 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."

# COUNTRY CONDO'S LIMITED



## 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 Hotel and Hospitality Sector, Entertainment, travel, event management, etc.

### C. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

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

### D. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS:

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

### E. ANALYSIS OF FINANCIAL PARAMETERS

#### FINANCIAL PERFORMANCE

Our Company has shown the growth with Turnover up from ₹101 Lakhs to ₹117 Lakhs, increasing by a strong 14% increase. Our EBIT in the Financial Year 2009-10 is ₹32.46 Lakhs as against ₹8.94 Lakhs for the Previous Financial Year 2008-09 increasing by a strong 4 times increase. 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

## **COUNTRY CONDO'S LIMITED**



significant changes in the political and economic environment in India, environment stands, tax laws, litigation and labour relations.

### **PERSONNEL**

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

### **ACKNOWLEDGEMENTS**

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

We wish to place on record our appreciation for the untiring efforts and contributions made by the employees at all levels to ensure that the Company continues to grow and excel.

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

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

PLACE : HYDERABAD  
DATE : 04-09-2010

Y. RAJEEV REDDY                      Y. SIDDHARTH REDDY  
CHAIRMAN & MANAGING DIRECTOR      JOINT MANAGING DIRECTOR & CEO

## COUNTRY CONDO'S LIMITED



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

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

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

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

#### **2. BOARD OF DIRECTORS:**

- a) The Company has 9 Directors with an Executive Chairman & Managing Director. Out of 9 Directors, 5 are Non-Executive and Independent Directors. The composition of the Board is in conformity with clause 49 of the Listing Agreements entered into with the Stock Exchanges and meets the stipulated requirements.
- b) None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 Companies across all the Companies in which he is a Director. The Directors have made necessary disclosures regarding Committee positions in other public companies as on 31<sup>st</sup> March, 2010.
- c) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies is given below. Other Directorships do not include alternate directorships, directorships of private limited companies, section 25 companies and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit , Shareholders / Investors Grievance & Remuneration Committees.
- d) 12 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:

29<sup>th</sup> April, 2009, 6<sup>th</sup> July, 2009, 15<sup>th</sup> July, 2009, 29<sup>th</sup> July, 2009, 12<sup>th</sup> August, 2009, 18<sup>th</sup> August, 2009, 24<sup>th</sup> August, 2009, 8<sup>th</sup> September, 2009, 23<sup>rd</sup> September, 2009, 30<sup>th</sup> October, 2009, 24<sup>th</sup> November, 2009 and 29<sup>th</sup> January, 2010.

Name of the Director	Category	No. of Other Directorships	No. of Committee in which Member	No. of Board Meetings attended	Whether attended last AGM
Y. Rajeev Reddy	Chairman & Managing Director	13	Nil	8	No
Y. Siddharth Reddy	Joint Managing Director & CEO	13	Nil	5	No
Y. Varun Reddy	Joint Managing Director & COO	9	Nil	5	No

## COUNTRY CONDO'S LIMITED



D. Krishna Kumar Raju	Vice – Chairman & Executive Director	7	2	12	Yes
P. V. V. Prasad	Independent Non-Executive	Nil	3	12	Yes
G. Venkateshwar Rao	Independent Non-Executive	Nil	3	10	Yes
S. Bal Reddy	Independent Non-Executive	Nil	3	10	Yes
A. VSB Laxmipathi Rao	Independent Non-Executive	Nil	Nil	10	Yes
VK Ramudu	Independent Non-Executive	Nil	Nil	10	Yes
D. Sree Rama Raju*	Managing Director	Nil	Nil	9	Yes
P. Krupavaram**	Independent Non-Executive	Nil	Nil	2	Yes
Ch. Srinivas**	Independent Non-Executive	Nil	Nil	2	Yes

\* Ceased as Director with effect from 23<sup>rd</sup> September, 2009.

\*\* Ceased as Director with effect from 06<sup>th</sup> 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;

## COUNTRY CONDO'S LIMITED



- 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.
- 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 10<sup>th</sup> August, 2009 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 2009-10)	No. of Meetings HELD (During the year 2009-10)
Sri. P. V. V. Prasad	Independent, Non-Executive	Chairman	4	4
G. Venkateshwar Rao*	Independent, Non-Executive	Member	3	4
S. Bal Reddy*	Independent, Non-Executive	Member	3	4
Sri. Ch. Srinivas**	Independent, Non-Executive	Member	1	4
Sri. P. Krupavaram**	Independent, Non-Executive	Member	1	4

\* Appointed as Member of Audit Committee with effect from 06<sup>th</sup> July, 2009.

\*\* Ceased as Member of Audit Committee with effect from 06<sup>th</sup> 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 29, 2009, July 29, 2009, October 30, 2009, and January 29, 2010

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

#### 4. REMUNERATION COMMITTEE

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

## COUNTRY CONDO'S LIMITED



Name of the Director	Category	Designation	No. of Meetings ATTENDED (During the year 2009-10)	No. of Meetings HELD (During the year 2009-10)
Sri. P. V. V. Prasad	Independent, Non-Executive	Chairman	1	1
G. Venkateshwar Rao	Independent, Non-Executive	Member	1	1
S. Bal Reddy	Independent, Non-Executive	Member	1	1

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

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

### REMUNERATION OF DIRECTORS:

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

### 5. SHARE HOLDERS / INVESTORS GRIEVANCE COMMITTEE:

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

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

Name of the Director	Category	Designation	No. of Meetings ATTENDED (During the year 2009-10)	No. of Meetings HELD (During the year 2009-10)
G. Venkateshwar Rao**	Independent, Non-Executive	Chairman	3	4
S. Bal Reddy**	Independent, Non-Executive	Member	3	4
Sri. P. V. V. Prasad	Independent, Non-Executive	Member	4	4
Sri. P. Krupavaram*	Independent, Non-Executive	Chairman	1	4
Sri. Ch. Srinivas*	Independent, Non-Executive	Member	1	4

\* Appointed as Member & Chairman of Committee with effect from 06<sup>th</sup> July, 2009.

\*\* Ceased as Member & Chairman of Committee with effect from 06<sup>th</sup> July, 2009.

Sri Laxmikanth Jakhotia, Company Secretary is the Compliance Officer.

The total No. of Complaints received and resolved during the year were: 10.

## COUNTRY CONDO'S LIMITED



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

The outstanding complaints as on 31<sup>st</sup> March, 2010 were: NIL

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

GM & YEAR	VENUE	DATE & TIME	SPECIAL RESOLUTIONS PASSED
EGM 2009-2010	Sri Agrasen Bhavan # 149, Brig. Sayeed Road, Sappers Line, Secunderabad -500 003	20-03-2010 11.30 A.M	1. For obtaining the consent of the Members pursuant to the Scheme of Amalgamation of M/s. Country Club Bangalore Limited with the Company (i.e., M/s. Country Condo's Limited)
22 <sup>nd</sup> AGM 2008-2009	Sri Agrasen Bhavan # 149, Brig. Sayeed Road, Sappers Line, Secunderabad -500 003	10-08-2009 02.00 P.M	<b>8 Special Resolutions were passed.</b> 1) For Appointment of Sri Y. Rajeev Reddy on the Board as Chairman & Managing Director. 2) For Appointment of Sri Y. Siddharth Reddy on the Board as Joint Managing Director & Chief Executive Officer. 3) For Appointment of Sri Y. Varun Reddy on the Board as Joint Managing Director & Chief Operating Officer. 4) For Increase of Authorized Share Capital of the Company. 5) For Issue of 1.70 Crores Warrants on preferential basis to Promoters. 6) For International Offering of Securities through Global Depository Receipt up to USD 20 Million. 7) For Offering of Securities to Qualified Institutional Buyers. 8) For re-designating Sri D. Krishna Kumar Raju as Vice Chairman & Executive Director of the Company.
21 <sup>st</sup> AGM 2007-2008	Sri Vasavi Arya Vysya Sangam, Kattedan Hyderabad - 500 077	29-09-2008 12.00 Noon	No special resolution passed.
20 <sup>th</sup> AGM 2006-2007	Sri Vasavi Arya Vysya Sangam, Kattedan Hyderabad - 500 077	29-09-2007 10.00.a.m.	1. For Reduction of Capital from ₹16,19,99,100 divided into 1,61,99,100 Equity Shares of ₹10/- each to ₹1.61,99,100 divided into 1,61,99,100 Equity Shares of ₹1/- each.

#### Special Resolution passed through postal ballot during the year 2009-10:

- Two Special Resolutions were passed on 20<sup>th</sup> April, 2009, through Postal Ballot and accordingly implemented the resolutions. The details are as follows:

Under section 17 of the Companies Act, 1956 for Alteration of Objects Clause of Memorandum of Association of the Company and under Section 149(2A) of the Act for 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:

- 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, Vice Chairman & Executive Director of the Company.

## COUNTRY CONDO'S LIMITED



**b) Procedure followed:**

- (i) The Postal Ballot Notice and accompanying documents were dispatched to shareholders under certificate of Posting.
- (ii) A Calendar of events along with Board Resolution was submitted to the Registrar of Companies, Andhra Pradesh, Hyderabad.

**c) 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.

2. Three Special Resolutions were passed on 10<sup>th</sup> August, 2009, through Postal Ballot and accordingly implemented the resolutions. The details are as follows:

Under Proviso to Regulation 12 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 read with section 257 of the Companies Act, 1956 for Appointment of New Directors on the Board. 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.

**b) Procedure followed:**

- (iii) The Postal Ballot Notice and accompanying documents were dispatched to shareholders under certificate of Posting.
- (iv) A Calendar of events along with Board Resolution was submitted to the Registrar of Companies, Andhra Pradesh, Hyderabad.

**c) 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.

### 7. DISCLOSURES

**A.** Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the directors or the management's, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

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

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

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

## COUNTRY CONDO'S LIMITED



### 8. NOTES ON DIRECTORS APPOINTMENT/RE-APPOINTMENT:

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

### 9. MEANS OF COMMUNICATIONS:

As per the Clause 41 of the listing requirements, the Company's Quarterly, Half-yearly and annual results are published in Business Standard in English and Andhra Prabha in Telugu Newspapers. The Annual Report and other communication are sent to the shareholders through Post.

The Un-audited Quarterly Financial Results and the Audited Annual Results are also displayed on the Company's Website: [www.countrycondos.co.in](http://www.countrycondos.co.in).

### 10. MANAGEMENT DISCUSSIONS AND ANALYSIS

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

#### Statement pursuant to Clause 38 of the Listing Agreement:

The Company's Equity Shares are currently listed on Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and Delhi Stock Exchange Limited (DSE) and the Company has paid the Annual Listing Fees of all the Stock Exchanges where its Shares are listed and Annual Custodian Fees to Depositories for the Year 2010-11.

### 11. GENERAL SHARE HOLDER INFORMATION:

<b>(I) Annual General Meeting</b>	
Date	29 <sup>th</sup> September, 2010
Time	11.30 AM
Venue	Sri Agrasen Bhavan, # 149, Brig. Sayeed Road, Sappers Line, Secunderabad - 500 003

<b>(II) Financial Calendar</b> 1 <sup>st</sup> April, 2010 to 31 <sup>st</sup> March, 2011	
And the Financial Reporting will be as follows:	
Quarter ending June 30, 2010	30 <sup>th</sup> July, 2010
Quarter ending September 30, 2010	Last week of October, 2010
Quarter ending December 31, 2010	Last week of January, 2011
Quarter ending March 31, 2011	Last week of April, 2011
Annual General Meeting for FY ended 31 <sup>st</sup> March, 2011	Before the end of September, 2011

<b>(III) Date of Book Closure</b>	27 <sup>th</sup> September, 2010 to 29 <sup>th</sup> September, 2010 (both days inclusive)
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<b>(IV) Dividend payment date</b>	If, declared will be paid within the stipulated time as per the Act.
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<b>(V) Listing on Stock Exchanges</b>	1. Bombay Stock Exchange Limited (BSE) 2. National Stock Exchange of India Limited (NSE) 3. Delhi Stock Exchange Limited (DSE)
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## COUNTRY CONDO'S LIMITED



(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-	
<b>Dematerialization of Securities</b>	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). 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 ₹	Low ₹	High ₹	Low ₹	High ₹	Low ₹	
April, 2009	7.09	5.32	7.25	5.45	---	---	
May, 2009	7.71	5.91	8.85	5.45	---	---	
June, 2009	12.69	8.09	13.00	8.50	---	---	
July, 2009	21.72	9.56	22.70	9.55	---	---	
August, 2009	22.60	16.10	22.90	15.55	---	---	
September, 2009	24.05	6.40	23.50	6.50	---	---	
October, 2009	8.45	5.95	8.35	5.95	---	---	
November, 2009	7.60	5.37	7.70	5.40	---	---	
December, 2009	7.00	4.86	6.90	4.90	---	---	
January, 2010	6.70	4.85	6.70	4.90	---	---	
February, 2010	5.69	4.75	5.80	4.75	---	---	
March, 2010	5.23	4.00	5.10	3.90	---	---	

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

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

(IX) Registrar & Transfer Agent:

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

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

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

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

The Shares of the Company are in physical form and electronic form. As regards, transfer of shares held in physical form, the transfer documents can be lodged with M/s. Aarthi Consultants Private Limited at above-mentioned address. The R & T Agent process the Physical Share Transfers and the Share Certificates are returned to the Shareholder with

## COUNTRY CONDO'S LIMITED



in a maximum period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects. All share transfers are approved by the Share Transfer Committee. As regards, the transfer of shares in demat form is done through the Depositories without involvement of the Company.

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

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

Any transferee not intending to dematerialize his/her shares need not exercise the option and the R & T Agent shall dispatch the Share Certificate after 30 days from the date of the option letter.

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

### (XI) Distribution of Shareholding as on 31-03-2010

Share Holding of Nominal Value	Share Holders		Share Amount	
	₹	₹	In ₹	% of Total
(1)	(2)	(3)	(4)	(5)
Upto 5,000	7403	85.64	9598423	19.75
5,001 10,000	729	8.43	5229504	10.76
10,001 20,000	266	3.08	3730588	7.68
20,001 30,000	106	1.23	2778042	5.72
30,001 40,000	30	0.35	1053914	2.17
40,001 50,000	15	0.17	673450	1.39
50,001 1,00,000	45	0.52	3177890	6.53
1,00,001 and above	50	0.58	22355489	46.00
<b>TOTAL</b>	<b>8644</b>	<b>100.00%</b>	<b>48597300</b>	<b>100.00 %</b>

## COUNTRY CONDO'S LIMITED



(XII) According to the categories of Shareholding as on 31-03-2010

	CATEGORY	No. of Shares held	%of shareholding
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group:</b>		
(1)	Indian		
a.	Individuals/Hindu Undivided Family	6420912	13.21
b.	Central Government/State Government	---	---
c.	Bodies Corporate	---	---
d.	Financial Institutions / Banks	---	---
	Others:	---	---
e.	Mutual funds	---	---
f.	Trusts	---	---
	<b>Sub-Total (A)(1)</b>	<b>6420912</b>	<b>13.21</b>
(2)	Foreign		
a.	Individuals (Non- Residents Individuals / Foreign Individuals)	---	---
b.	Bodies Corporate	---	---
c.	Institutions	---	---
	Others:	---	---
d.	Overseas Corporate Bodies	---	---
	<b>Sub-Total (A)(2)</b>	<b>000</b>	<b>000</b>
	<b>Total Shareholding of Promoter and Promoter Group A = (A)(1)+ (A)(2)</b>	<b>6420912</b>	<b>13.21</b>
<b>(B)</b>	<b>Public Shareholding</b>		
(1)	Institutions		
a.	Mutual funds / UTI	---	---
b.	Financial Institutions / Banks	---	---
c.	Central Government/State Government	---	---
d.	Venture Capital Funds	---	---
e.	Insurance Companies	---	---
f.	Foreign Institutional Investors	---	---
g.	Foreign Venture Capital Investors	---	---
	Others:	---	---
h.	Foreign Companies	---	---
	<b>Sub-Total (B)(1)</b>	<b>000</b>	<b>000</b>
(2)	Non- Institutions		
a.	Bodies Corporate	4311858	8.87
b.	Individuals		
	i). Individual Shareholders holding Nominal Share Capital upto Rs. 1 Lakh	22353883	46.00
	ii). Individual Shareholders holding Nominal Share Capital in excess of Rs. 1 Lakh	13890026	28.58
	Others:		
c.	Non- Residents Individuals	1453624	2.99
d.	Overseas Corporate Bodies	---	---
e.	Trusts	---	---
f.	Employees	---	---
g.	Clearing Members	166997	0.34
	<b>Sub-Total (B)(2)</b>	<b>42176388</b>	<b>86.79</b>
	<b>Total Public Shareholding B = (B)(1) + (B)(2)</b>	<b>42176388</b>	<b>86.79</b>
	<b>TOTAL ( A+B)</b>	<b>48597300</b>	<b>100.00</b>
<b>(C)</b>	<b>Shares held by Custodians and against Depositories Receipts have been issued</b>	<b>000</b>	<b>000</b>
	<b>GRAND TOTAL (A+B+C)</b>	<b>48597300</b>	<b>100.00</b>

## COUNTRY CONDO'S LIMITED



### (XIII) Dematerialization of shares & liquidity

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

### (XIV) Share Dematerialization Records:

**4,03,70,012** Shares representing **83.07%** of the Company's total equity share capital were held in dematerialized form with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on 31<sup>st</sup> March, 2010.

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

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

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

During the year the Company has not issued GDR's / ADR's / FCCB's till date.

During the year the Company has issued 1.70 Crores Warrants. The Outstanding quantum of Convertible Warrants are as per the table given below:

As on 31<sup>st</sup> March, 2010

Particulars	Outstanding in No.	Converted in No.	Conversion Date	Likely Impact
Convertible Warrants	17000000	Nil	23 <sup>rd</sup> February, 2011	Will Result in Issue of new 17000000 Equity Shares of ₹1/- each

### (XVI) Secretarial Audit:

M/s. P. Murali & Co., Chartered Accountants conducts the Secretarial Audit of the Company every Quarter for a limited purpose of reconciliation of the total admitted capital with both the depositories (NSDL & CDSL) and the total issued and listed capital. The Quarterly Secretarial Audit Report which were placed before the Board of Directors were also send in time to all the Stock Exchanges where the Company Shares are Listed.

### (XVII) Plant Locations

Not Applicable

### (XVIII) Address for Correspondence:

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

## COUNTRY CONDO'S LIMITED



### (XIX) Depository Services:

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

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

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

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

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, and in connection with your Company's efforts to enhance the standards of corporate governance in the Company, and to strictly monitor and prevent insider trading with in the Company, your Company has appointed Sri Laxmikanth Jakhotia, Company Secretary as the Compliance Officer for this purpose. The code is applicable to all such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism. The code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them.

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

PLACE : HYDERABAD	SD/-	SD/-
DATE : 04-09-2010	Y. RAJEEV REDDY CHAIRMAN & MANAGING DIRECTOR	Y. SIDDHARTH REDDY JOINT MANAGING DIRECTOR & CEO



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

I, Y. Siddharth Reddy, Joint Managing Director & CEO of Country Condo's Limited hereby declare that all the Board members and senior managerial personnel have affirmed for the year ended 31<sup>st</sup> March, 2010 compliance with the code of conduct of the Company laid down for them.

Sd/-  
Y. Siddharth Reddy  
Joint Managing Director & CEO

Place : Hyderabad  
Date : 04.09.2010

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

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

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2010 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/-  
Y. Siddharth Reddy  
Joint Managing Director & CEO

Place : Hyderabad  
Date : 04.09.2010

## **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 31<sup>st</sup> March, 2010.

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

SD/-  
P. MURALI MOHANA RAO  
PARTNER

PLACE : HYDERABAD  
Date : 04-09-2010

## COUNTRY CONDO'S LIMITED



### 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 31<sup>st</sup> March, 2010 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, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March , 2010 from being appointed Director in terms of clause(g) of sub-section(1) of section 274 of the Companies Act,1956 ;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India ;
  - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
  - (b) In the case of the Profit & Loss Account, of the Profit for the year ended on that date;

**And**

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

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

P.MURALI MOHANA RAO  
PARTNER  
Membership No. 23412

PLACE : HYDERABAD  
DATE : 04-09-2010

**ANNEXURE TO THE AUDITORS' REPORT**

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

## **COUNTRY CONDO'S LIMITED**



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

## **COUNTRY CONDO'S LIMITED**

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

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

PLACE : HYDERABAD  
DATE : 04-09-2010

P.MURALI MOHANA RAO  
PARTNER  
Membership No. 23412

# COUNTRY CONDO'S LIMITED



<b>COUNTRY CONDO'S LIMITED</b>			
<b>BALANCE SHEET AS AT 31st MARCH, 2010</b>			
PARTICULARS	SCHEDULE NO'S	AS AT 31-03-2010 (Rupees)	AS AT 31-03-2009 (Rupees)
<b>I SOURCES OF FUNDS</b>			
<b>1. SHAREHOLDERS FUNDS</b>			
a. Capital	1	77,597,300	16,199,100
b. Equity Share Warrants	2	45,220,000	-
c. Reserves & Surplus	3	28,162,511	37,113,500
<b>2. LOAN FUNDS</b>			
a. Unsecured Loans		14,000,000	17,585,000
<b>3. DEFERRED INCOME TAX LIABILITY</b>			
		18,354,534	18,324,322
<b>TOTAL</b>		<b>183,334,345</b>	<b>89,221,922</b>
<b>II APPLICATION OF FUNDS</b>			
<b>1. FIXED ASSETS</b>			
a. Gross Block	4	128,790,826	109,290,951
b. Less Depreciation		52,460,537	52,381,009
c. Net Block		76,330,289	56,909,942
<b>2. CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
a. Work-in-process		127,770,141	88,241,304
b. Cash & Bank Balance	5	7,314,181	6,717,740
c. Loans & Advances	6	477,519,792	162,609,314
Less: Current Liabilities & Provisions	7	505,600,058	227,071,987
<b>NET CURRENT ASSETS</b>		<b>107,004,056</b>	<b>30,496,371</b>
<b>3. PROFIT &amp; LOSS ACCOUNT</b>			
	8	-	1,815,609
<b>TOTAL</b>		<b>183,334,345</b>	<b>89,221,922</b>
<b>NOTES TO ACCOUNTS</b>	10		
AS PER OUR REPORT OF EVEN DATE for <b>P. MURALI &amp; CO.,</b> CHARTERED ACCOUNTANTS		FOR AND ON BEHALF OF THE BOARD For <b>COUNTRY CONDO'S LIMITED</b>	
P.MURALI MOHANA RAO PARTNER	Y.RAJEEV REDDY CHAIRMAN & MANAGING DIRECTOR	Y.SIDDHARTH REDDY JOINT MANAGING DIRECTOR & CEO	
PLACE: HYDERABAD DATE : 04.09.2010	LAXMIKANTH JAKHOTIA COMPANY SECRETARY		

# COUNTRY CONDO'S LIMITED



<b>COUNTRY CONDO'S LIMITED</b>			
<b>PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010</b>			
PARTICULARS	SCHEDULE NO'S	ENDING 31-03-2010 (Rupees)	ENDING 31-03-2009 (Rupees)
<b>1 INCOME</b>			
Sales / Income from Operations		11,707,096	10,128,118
Lease Rents		1,422,000	-
Closing Work-in-Progress		127,770,141	88,241,304
<b>TOTAL</b>		<b>140,899,237</b>	<b>98,369,422</b>
<b>2 EXPENDITURE</b>			
Opening Work-in-Progress		88,241,303	13,374,447
Land Development Charges		23,489,701	52,472,062
Administrative Expenses	9	25,843,144	26,399,385
Depreciation		79,528	5,229,341
<b>TOTAL</b>		<b>137,653,676</b>	<b>97,475,235</b>
<b>3 PROFIT / (LOSS) BEFORE TAX</b>		3,245,561	894,187
<b>4 PROVISION FOR TAXES</b>		935,200	259,627
<b>5 DEFERRED INCOME TAX (LIABILITY) / ASSET</b>		(30,211)	671,078
<b>6 PROFIT / (LOSS) AFTER TAX</b>		2,280,150	1,305,638
<b>7 BALANCE BROUGHT FORWARD PROFIT/(LOSS)</b>		(1,815,609)	(148,913,147)
<b>8 SHARE CAPITAL REDUCTIONS (AS PER HIGH COURT ORDER)</b>		-	145,791,900
<b>9 BALANCE CARRIED FORWARD</b>		464,541	(1,815,609)
EARNINGS PER SHARE		0.05	0.08
<b>NOTES TO ACCOUNTS</b>	10	-	-
AS PER OUR REPORT OF EVEN DATE for <b>P. MURALI &amp; CO.</b> , CHARTERED ACCOUNTANTS		FOR AND ON BEHALF OF THE BOARD For <b>COUNTRY CONDO'S LIMITED</b>	
P.MURALI MOHANA RAO PARTNER	Y.RAJEEV REDDY CHAIRMAN & MANAGING DIRECTOR	Y.SIDDHARTH REDDY JOINT MANAGING DIRECTOR & CEO	
PLACE: HYDERABAD DATE : 04.09.2010	LAXMIKANTH JAKHOTIA COMPANY SECRETARY		

# COUNTRY CONDO'S LIMITED



COUNTRY CONDO'S LIMITED		
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
PARTICULARS	AS AT 31.03.2010 (Rupees)	AS AT 31.03.2009 (Rupees)
<b>AUTHORISED:</b>		
350,000,000 Equity Shares of ₹ 1/-Each (Previous year 200,000,000@ ₹ 1/- each)	<u>350,000,000</u>	<u>200,000,000</u>
<b>ISSUED, SUBSCRIBED &amp; PAID-UP:</b>		
77,597,300 Shares of ₹ 1/-Each (Including Bonus Shares & Share issued to the share holders of CCBL) (Previous year 16,199,100@ ₹ 1/- each)	77,597,300	16,199,100
<b>Sub-Total</b>	<u><u>77,597,300</u></u>	<u><u>16,199,100</u></u>
<b>SCHEDULE 2</b>		
<b>SHARE WARRANTS</b>		
PARTICULARS	AS AT 31.03.2010 (Rupees)	AS AT 31.03.2009 (Rupees)
<b>Share Warrants</b> 1,70,00,000 partly paid convertible warrants of ₹ 10.64/- each to be converted into equity shares of ₹ 1/- each at a premium of ₹ 9.64/-	45,220,000	-
<b>Sub-Total</b>	<u><u>45,220,000</u></u>	<u><u>-</u></u>
<b>SCHEDULE 3</b>		
<b>RESERVES &amp; SURPLUS</b>		
PARTICULARS	AS AT 31.03.2010 (Rupees)	AS AT 31.03.2009 (Rupees)
Share Premium	37,113,500	37,113,500
Less: bonus issue at 2:1 adjusted	(32,398,200)	-
Profit & Loss Account	2,280,150	-
Less: Amount Transferred from Schedule 8	(1,815,609)	-
Capital Reserves	22,982,670	-
<b>Sub-Total</b>	<u><u>28,162,511</u></u>	<u><u>37,113,500</u></u>
<b>SCHEDULE 5</b>		
<b>CASH &amp; BANK BALANCES</b>		
PARTICULARS	AS AT 31.03.2010 (Rupees)	AS AT 31.03.2009 (Rupees)
Cash in hand	3,058,744	5,308,846
Balances with Banks	4,255,437	1,408,894
<b>Sub-Total</b>	<u><u>7,314,181</u></u>	<u><u>6,717,740</u></u>
<b>SCHEDULE 6</b>		
<b>LOANS &amp; ADVANCES</b>		
PARTICULARS	AS AT 31.03.2010 (Rupees)	AS AT 31.03.2009 (Rupees)
Advances & Others	476,236,792	161,586,314
Deposits	1,283,000	1,023,000
<b>Sub-Total</b>	<u><u>477,519,792</u></u>	<u><u>162,609,314</u></u>

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

Particulars	Gross Block as on 01.04.2009	Additions during the year	Deletions during the year	Gross Block as at 31.03.2010	Depreciation upto 01.04.2009	Depreciation during the year	Total Depreciation 31.03.2010	Net Block as at 31.03.2010	Net Block as at 31.03.2009
Plant & Machinery	105,172,017	-	-	105,172,017	49,736,409	-	49,736,409	55,435,608	55,435,608
Blocks	597,574	-	-	597,574	408,219	-	408,219	189,355	189,355
Cylinders	918,456	-	-	918,456	623,488	-	623,488	294,968	294,968
Art Work	330,526	-	-	330,526	225,950	-	225,950	104,576	104,576
Misc. fixed Assets	1,132,760	-	-	1,132,760	750,629	-	750,629	382,131	382,131
Land	-	18,923,296	-	18,923,296	-	-	-	18,923,296	-
Air Conditioner	47,000	49,000	-	96,000	1,921	3,393	5,314	90,686	45,079
Mobiles	23,298	76,935	-	100,233	745	3,359	4,104	96,129	22,553
Fax Machine	12,064	-	-	12,064	1,870	573	2,443	9,621	10,194
Office Equipment	-	34,200	-	34,200	-	181	181	34,019	-
Xerox Machine	-	68,640	-	68,640	-	1,626	1,626	67,014	-
Furniture & Fixtures	722,117	29,924	-	752,041	539,267	5,787	545,054	206,987	182,850
Vehicles	85,389	47,635	-	133,024	54,853	6,408	61,261	71,763	30,536
Motor Cycle	-	44,125	-	44,125	-	2,504	2,504	41,621	-
Computers	207,900	59,820	-	267,720	30,733	35,920	66,653	201,067	177,167
UPS	3,500	145,600	-	149,100	547	12,336	12,883	136,217	2,953
Printers	35,150	12,900	-	48,050	5,831	6,541	12,372	35,678	29,319
Scanner	3,200	7,800	-	11,000	547	900	1,447	9,553	2,653
<b>Total</b>	<b>109,290,951</b>	<b>19,499,875</b>	<b>-</b>	<b>128,790,826</b>	<b>52,381,009</b>	<b>79,528</b>	<b>52,460,537</b>	<b>76,330,289</b>	<b>56,909,942</b>

# COUNTRY CONDO'S LIMITED



<b>SCHEDULE 7</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>PARTICULARS</b>	<b>AS AT 31.03.2010 (Rupees)</b>	<b>AS AT 31.03.2009 (Rupees)</b>
Sundry Creditors	5,877,951	5,963,118
Advances received	138,625,477	107,010,455
Registration & Development Charges	353915438	110,650,760
Outstanding Expenses & Provisions	6,245,992	3,188,027
Provision for Income Tax	935,200	100,430
Provision for FBT	-	159,197
<b>Sub-Total</b>	<b>505,600,058</b>	<b>227,071,987</b>
<b>SCHEDULE 8</b>		
<b>PROFIT AND LOSS ACCOUNT</b>		
<b>PARTICULARS</b>	<b>AS AT 31.03.2010 (Rupees)</b>	<b>AS AT 31.03.2009 (Rupees)</b>
Balance brought forward profit / (loss)	(1,815,609)	(148,913,147)
Share Capital Reduction (as per High Court order)	-	145,791,900
Balance from Profit & Loss	-	1,305,638
Less: Amount Transferred to Schedule 3	1,815,609	-
<b>Sub-Total</b>	<b>-</b>	<b>(1,815,609)</b>
<b>SCHEDULE- 9</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
<b>PARTICULARS</b>	<b>YEAR ENDED 31.03.2010 (Rupees)</b>	<b>YEAR ENDED 31.03.2009 (Rupees)</b>
Salaries	15,141,056	16,619,118
Advertisement Charges	125,820	96,820
Travelling & Conveyance	1,507,634	1,509,823
Telephone Expenses	364,069	341,740
Postage & Telegrams	93,967	22,687
Electricity Charges	100,658	8,615
Donation A/c	50,000	10,000
Maintenance Exp.	1,052,178	132,424
Rent	630,361	106,900
Rates & Taxes	10,545	3,973
ROC & Filing Fee	660,875	934,223
Audit Fee	82,725	82,725
Share Transfer Fee	309,723	163,714
NSE Listing Fee & BSE Listing Fee	601,194	987,942
Bank Charges	439,317	470,423
Consultancy charges	4,016,995	4,063,547
Printing & Stationery	601,172	452,971
Books & Periodicals	35,221	43,994
Business Promotion	8,521	6,486
Other Administrative Expenses	11,113	341,260
<b>Sub-Total</b>	<b>25,843,144</b>	<b>26,399,385</b>

**SCHEDULE – 10**

**NOTES FORMING PART OF THE ACCOUNTS**

**I. SIGNIFICANT ACCOUNTING POLICIES**

**a) Preparation of financial statements**

The financial statements have been prepared under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India and the provisions of Companies Act, 1956.

**b) Method of Accounting**

The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

**c) Fixed Assets**

Fixed Assets are stated at their original cost of acquisition, net of accumulated depreciation and CENVAT credit, and include taxes, freight and other incidental expenses related to their acquisition / construction / installation.

**d) Inventories**

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

**e) Revenue Recognition**

In respect of income from services, income is recognized as and when the rendering of services is complete. Revenue from time period services is recognized on the basis of time incurred in providing such services.

**f) Retirement Benefits**

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

**g) Depreciation**

Depreciation is provided on straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on assets added, sold or discarded is provided for on pro-rata basis.

**h) Income and Deferred Tax**

The provision made for income tax in the accounts comprises both the current and deferred tax. Current tax is provided for on the taxable income for the year. The deferred tax assets and liabilities for the year arising on account of timing differences (net) are recognized in the Profit and Loss account and the cumulative effect thereof is reflected in the Balance Sheet.

**i) EPS**

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.

**II. NOTES TO ACCOUNTS**

1. During the year the Company has issued Bonus Shares on 08.09.2009 in the ratio of 2:1 out of Securities Premium Account up to the tune of ₹3,23,98,200, Hence net reserves & Surplus after Bonus issue is ₹47,15,300 therefore, the total no. of shares after Bonus issue is 4,85,97,300 equity share of ₹1/-each amounting to ₹4,85,97,300/-

## COUNTRY CONDO'S LIMITED



2. A Scheme of Amalgamation of M/s Country Club Bangalore Limited with M/s Country Condo's Limited has been approved by the Honorable High Court of Andhra Pradesh dated 29<sup>th</sup> April, 2010 vide CP No.61 & 62 of 2010 and obtained certified copy of the order dated 15<sup>th</sup> June, 2010. The Swap ratio for allotment of shares is 5: 29 i.e. for every 5 shares of Country Club Bangalore Limited 29 shares of Country Condo's Limited is recommended fair for appointed date 1<sup>st</sup> October, 2009. Accordingly 2,90,00,000 shares @ ₹1/- amounting to ₹2,90,00,000 is included under subscribed & paid up capital of the Company.
3. Company has also issued 1,70,00,000 partly paid share warrants of ₹10.64/-each to be converted into equity shares of ₹1/- each at a premium of ₹9.64/-. Out of which the Company has received 25% as on 24.08.2009 which is required to be converted into equity shares within 18 months from the date of issue i.e. on or before 23<sup>rd</sup> February, 2011.
4. Capital Reserve of ₹2,29,82,670 arrived out of amalgamation through Honorable High Court of Andhra Pradesh dated 29<sup>th</sup> April, 2010 vide CP No.61 & 62 of 2010.
5. 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**
6. Auditor's Remuneration
 

	Current Year (₹)	Previous Year(₹)
Audit Fee	82,725	82,725
Directors Remuneration	NIL	NIL
7. Detailed information regarding quantitative particulars under part II of Schedule VI to the Companies Act, 1956. Quantitative details are not furnished as the company is in the activity of Real estate and Construction.

	Current Year (₹in Lakhs)	Previous Year (₹in Lakhs)
Opening WIP	882.41	133.74
Land Development	395.29	748.67
Closing WIP	1277.70	882.41

Closing work in progress includes expenditure like procurement of land and other ancillary costs.

8. The Company has not made any provision for Gratuity to its employees, because no employee has put in qualifying period of service for entitlement of this benefit.
9. Depreciation has not been provided on old assets in the Fixed Assets Schedule as they belong to the earlier business, which are not put in use for current business.
10. Balance confirmations from Sundry Creditors are yet to be obtained.
11. Segment Reporting  
Since the Company is Operating in only one segment – Real Estate & Construction, hence segment reporting as required under Accounting Standard – 17 is not applicable.
12. Related Party Transactions  
During the year the company has received rent from Country Club India Limited for an amount of ₹14,22,000/-.
13. Deferred Tax Assets & Liabilities  
In accordance with Accounting standard 22 (As 22) issued by the ICAI, the Company has accounted for deferred income tax liability ₹30,211/- for current year (Previous year ₹6,71,078/- towards deferred income tax asset).

## COUNTRY CONDO'S LIMITED



### 14. Earnings Per Share (EPS)

#### Calculation of EPS

	2009-10	2008-09
Profit after tax during the year (₹)	22,80,151.00	13,05,638.00
Earnings available to Equity Shareholders for Basic & Diluted EPS (₹)	22,80,151.00	13,05,638.00
Weighted Average Number of Shares taken for computation of EPS (No.'s)	4,89,35,075.00	1,61,99,100.00
- Basic	₹ 0.05	0.08
- Diluted	₹ 0.05	0.08
Earning per Share	₹	
- Basic	₹ 0.05	0.08
- Diluted	₹ 0.05	0.08
Face Value of the Share	₹ 1.00	10.00

15. Figures have been rounded off to the nearest rupee.

16. Previous year's figures have been regrouped / rearranged wherever necessary.

### **SIGNATURES TO SCHEDULES 1 To 10**

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

P. MURALI MOHANA RAO  
PARTNER

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

Y. RAJEEV REDDY  
CHAIRMAN & MANAGING DIRECTOR

Y. SIDDHARTH REDDY  
JOINT MANAGING DIRECTOR & CEO

PLACE : HYDERABAD  
DATE : 04.09.2010

LAXMIKANTH JAKHOTIA  
COMPANY SECRETARY

# COUNTRY CONDO'S LIMITED



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2010		
	31.03.2010	31.03.2009
	(₹.in Lakhs)	(₹.in Lakhs)
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
A. Net profit/(Loss)before taxation, and extraordinary Items	32.46	8.94
Adjustments for:		
Depreciation	0.80	52.29
Interest expenses		
Bad debts		
Misc Expenses		
Loss on sale of fixed assets		
Amount Transferred to Reserves	(94.16)	
<b>Operating Profit before working capital changes</b>	<b>(60.90)</b>	<b>61.24</b>
Inventories	(395.29)	(748.67)
Loans and Advances	(3149.10)	(1231.92)
Trade payables	2775.93	1914.07
Cash generated from operations	<b>(829.37)</b>	<b>(5.28)</b>
Expenditure on Patents		
Net Cash Flow Operating Activities	<b>(829.37)</b>	<b>(5.28)</b>
<b>Net Cash Flow After Extraordinary Items</b>	<b>(829.37)</b>	<b>(5.28)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
B. Purchase of fixed assets	(195.00)	(2.62)
Capital work in process,preoperative		
Investments		
Profit & Loss account	-	0.00
Sale/adjustment of Fixed Assets		
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(195.00)</b>	<b>0.00</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
C. Proceeds from share capital	613.98	0.00
Share warrents Issued	452.20	
Secured loan Taken		
Unsecured Loan	(35.85)	
Interest paid		
<b>NET CASH GENERATED/USED IN FINANCING ACTIVITIES</b>	<b>1,030.33</b>	<b>0.00</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>5.96</b>	<b>(7.90)</b>
Cash and Cash equivalents as at (Opening Balance)	67.18	75.08
Cash and Cash equivalents as at (Closing Balance)	73.14	67.18
<p>AS PER OUR REPORT OF EVEN DATE FOR AND ON BEHALF OF THE BOARD for P. MURALI &amp; CO., For COUNTRY CONDO'S LIMITED CHARTERED ACCOUNTANTS</p> <p>P.MURALI MOHANA RAO      Y.RAJEEV REDDY      Y.SIDDHARTH REDDY PARTNER      CHAIRMAN &amp; MANAGING DIRECTOR      JOINT MANAGING DIRECTOR &amp; CEO</p> <p>PLACE: HYDERABAD      LAXMIKANTH JAKHOTIA DATE : 04.09.2010      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, 2010. 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 &amp; Loss Account and Balance Sheet of the Company covered by our report of 4th September, 2010 to the members of the Company.</p> <p style="text-align: right;">for P. MURALI &amp; CO., CHARTERED ACCOUNTANTS</p> <p>PLACE: HYDERABAD      P. MURALI MOHANA RAO DATE : 04.09.2010      PARTNER</p>		

**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  State Code   
 Balance Sheet Date

II. Capital Raised during the Year (Amount in ` Thousands)

Public Issue	<input type="text" value="NIL"/>	Preferential Issue	<input type="text" value="NIL"/>
Bonus Issue	<input type="text" value="32398"/>	Other Issue	<input type="text" value="29000"/>

III. Position of Mobilisation and Deployment of Funds (Amount in ` Thousands)

Total Liabilities	<input type="text" value="183334"/>	Total Assets	<input type="text" value="183334"/>
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Sources of Funds

Paid - Up Capital	<input type="text" value="77597"/>	Share Application Money	<input type="text" value=""/>
Convertible Warrants	<input type="text" value="45220"/>	Reserves & Surplus	<input type="text" value="28162"/>
Secured Loans	<input type="text" value=""/>	Unsecured Loans	<input type="text" value="14000"/>

Application of Funds

Net Fixed Assets	<input type="text" value="76330"/>	Investments	<input type="text" value=""/>
Net Current Assets	<input type="text" value="107004"/>	Misc. Expenditure	<input type="text" value=""/>
Accumulated Losses	<input type="text" value="NIL"/>	Deferred Income Tax Assets	<input type="text" value="NIL"/>

IV Performance of Company (Amount in ` Thousands)

Turnover	<input type="text" value="140899"/>	Total Expenditure	<input type="text" value="137654"/>
Profit/ Loss Before Tax	<input type="text" value="3246"/>	Profit/ Loss After Tax	<input type="text" value="2280"/>
Earning Per Share in Rs.	<input type="text" value="0.05"/>	Dividend rate %	<input type="text" value="NIL"/>

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

Y.RAJEEV REDDY  
CHAIRMAN & MANAGING DIRECTOR

Y.SIDDHARTH REDDY  
JOINT MANAGING DIRECTOR & CEO

PLACE: HYDERABAD  
DATE: 04-09-2010

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 23<sup>rd</sup> Annual General Meeting of the Company to be held on Wednesday, the 29<sup>th</sup> September, 2010 at  
11.30 A.M at Sri Agrasen Bhavan, # 149, Brig. Sayeed Road, Sappers Line, Secunderabad - 500 003 and at any  
adjournment thereof.

Signed this..... day of \_\_\_\_\_ 2010.



- 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 23<sup>rd</sup> Annual General Meeting of the Company to be held on Wednesday, the 29<sup>th</sup> September, 2010 at 11.30 A.M at Sri Agrasen Bhavan, # 149, Brig. Sayeed Road, Sappers Line, Secunderabad - 500003.

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.