



***COUNTRYCONDOS***

# **COUNTRY CONDO'S LIMITED**

CIN : L63040TG1987PLC007811

**2013-2014**

***27<sup>th</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 | - | 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 V K Ramudu            | - | Director                      |
| 10. | Smt. Y. Manjula Reddy     | - | Additional Director           |

### COMPANY SECRETARY

Sri J. Laxmikanth

### BANKERS

Bank of India  
AXIS Bank Ltd  
State Bank of Mysore  
State Bank of India

### 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: 91-40-66360610  
Email: info@countrycondos.co.in

### SHARE TRANSFER AGENTS

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

### LISTING AT

Bombay Stock Exchange Limited  
National Stock Exchange of India Limited



**NOTICE**

NOTICE is hereby given that the 27th Annual General Meeting of the members of Country Condo's Limited will be held on Tuesday, the 30th day of September, 2014 at 12.00 Noon at Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad - 500 003 to transact the following Business:

**ORDINARY BUSINESS:**

**1. Adoption of Financial Statements:**

To receive, consider and adopt the audited Statement of Profit & Loss for the financial year ended on 31st March, 2014 and the Balance Sheet as on that date and the Reports of the Auditors and Directors thereon.

**2. Appointment of Director:**

To appoint a Director in place of Sri V K Ramudu (DIN: 02712577), who retires by rotation and being eligible offers himself for re-appointment:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule IV to the said Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Sri V K Ramudu (DIN: 02712577), Director of the Company who retires by rotation at the said Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Sri V K Ramudu as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014, not liable to retire by rotation."

**3. Appointment of Auditors:**

To re-appoint auditors of the Company to hold the office from the conclusion of this AGM until the conclusion of the Third consecutive AGM and to fix their remuneration and to pass the following resolution thereof:

"**RESOLVED THAT**, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the audit committee of the Board of Directors, M/s. P. Murali & Co., Chartered Accountants, Hyderabad (Registration No. 007257S), be and are hereby re-appointed as the auditors of the Company, to hold office from the conclusion of this AGM to the Conclusion of the Third consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM), at such remuneration, plus service tax as may applicable and reimbursement of actual out of pocket expenses as may be incurred in the performance of their duties, as the Board of Directors may fix in this behalf."

**SPECIAL BUSINESS:**

**4. Appointment of Smt. Y. Manjula Reddy as a Director (DIN: 00115485):**

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

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and the Articles of Association of the Company, Smt. Y. Manjula Reddy (DIN: 00115485), who was appointed as an Additional Director of the Company by the Board of Directors with effect from May 29, 2014 and who holds the office until the date of Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Smt. Y. Manjula Reddy as a candidate for the office of director of the Company, be and is hereby appointed as a director of the Company liable to retire by rotation."

**5. To Re-appoint Sri Y. Rajeev Reddy (DIN: 00115430) as Non-Executive Chairman:**

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

## COUNTRY CONDO'S LIMITED



**"RESOLVED THAT** in accordance with the provisions of Sections 152, 203 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the Re-appointment of Sri Y. Rajeev Reddy (DIN: 00115430) as Non-Executive Chairman of the Company, for a period of 5 (five) years with effect from August 10, 2014.

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

### **6. To Re-appoint Sri Y. Siddharth Reddy (DIN: 00815456) as Non-Executive Vice-Chairman & Director:**

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

**"RESOLVED THAT** in accordance with the provisions of Sections 152, 203 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the Re-appointment of Sri Y. Siddharth Reddy (DIN: 00815456) as Non-Executive Vice-Chairman & Director of the Company whose office is liable to retire by rotation.

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

### **7. To Re-appoint Sri Y. Varun Reddy (DIN: 01905757) as Non-Executive Vice-Chairman & Director:**

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

**"RESOLVED THAT** in accordance with the provisions of Sections 152, 203 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the Re-appointment of Sri Y. Varun Reddy (DIN: 01905757) as Non-Executive Vice-Chairman & Director of the Company whose office is liable to retire by rotation.

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

### **8. To Re-appoint Sri D. Krishna Kumar Raju (DIN: 00115553) as Vice-Chairman & Chief Executive Officer of the Company:**

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

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the Re-appointment of Sri D. Krishna Kumar Raju (DIN: 00115553), as Vice-Chairman & Chief Executive Officer of the Company for a period of 5 (five) years with effect from August 10, 2014, on the following terms and conditions:

- A) Salary of ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only) per month. This includes dearness allowance and all other allowances not otherwise specified herein.
- B) In addition, the Chairman shall be entitled to the following:
  - I. **Perquisites** as under not exceeding Rs.25,000/- per month:
    - a) Housing: Rent-free accommodation will be provided to him from whom 10% of his salary shall be recovered. In case no accommodation is provided by the Company, house rent allowance at 60% of the salary shall be paid. In addition, he shall be allowed free use of the Company owned furniture and other consumable durables, if required.



- b) The expenditure incurred by him for gas, electricity, water and furnishings shall be reimbursed by the Company.
  - c) All medical expenses incurred by him shall be reimbursed.
  - d) Leave travel concession for him will be allowed once in a year as may be decided by the Board.
  - e) Fees of Club shall be reimbursed subject to the maximum of two clubs; Admission Fees and Life Member Fees shall not be reimbursed.
  - f) Personal accident insurance - the premium of which shall not exceed Rs.5000/- per annum.
  - g) Contribution to the provident fund, superannuation fund, annuity fund to the extent the same are not taxable under the Income Tax Act, 1961.
  - h) Provision of Car with driver for use on Company's business and Mobile phone and Telephone at residence and expenditure incurred on Traveling shall be reimbursed by the Company.
  - i) Gratuity is payable at a rate not exceeding Half Month Salary for each completed year of Service.
  - j) Encashment of earned leave at the rate of 30 days per annum at the end of his tenure.
- II. Commission:** He shall be paid performance based commission up to 5% (Five Percentage) (including salary and perquisites hereafter stated) of the net profits calculated in accordance with Section 198 of the Companies Act, 2013 for each financial year commencing from 10th August, 2014.

**RESOLVED FURTHER THAT** in case of absence or inadequacy of Profits during any financial year during the tenure of office of Sri D. Krishna Kumar Raju, Vice-Chairman & Chief Executive Officer, the above remuneration shall be payable subject to the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013.

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

**9. To Appoint Sri P.V.V Prasad (DIN: 00094586) as an Independent Director:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule IV to the said Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Sri P.V.V Prasad (DIN: 00094586), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Sri P.V.V. Prasad as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014, not liable to retire by rotation."

**10. To Appoint Sri G. Venkateshwar Rao (DIN: 02712599) as an Independent Director:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule IV to the said Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Sri G. Venkateshwar Rao (DIN: 02712599), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Sri G. Venkateshwar Rao as a candidate for the

office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014, not liable to retire by rotation."

**11. To Appoint Sri S. Bal Reddy (DIN: 02712623) as an Independent Director:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule IV to the said Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Sri S. Bal Reddy (DIN: 02712623), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Sri S. Bal Reddy as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014, not liable to retire by rotation."

**12. To Appoint Sri A. VSB Laxmipathi Rao (DIN: 02733596) as an Independent Director:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule IV to the said Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Sri A. VSB Laxmipathi Rao (DIN: 02733596), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Sri A. VSB Laxmipathi Rao as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014, not liable to retire by rotation."

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

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

**"RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Executive Director of the Company (i.e. the Vice-Chairman & CEO) be paid, remuneration by way of salary, perquisites and allowances, incentive / bonus / performance linked incentive, remuneration based on net profits, etc. as per their respective terms of appointment, as the Board of Directors may from time to time determine, not exceeding Five percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

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

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

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

**"RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Non-Executive Independent Directors of the Company be paid, remuneration, in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof, as the Board of Directors may from time to time determine, not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof;

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

### **15. To regularize the Contract entered with M/s. Country Club (India) Limited:**

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

**"RESOLVED THAT** pursuant to the provisions of section 188 and other applicable provisions if any, of the companies Act, 2013 (the 'Act') read with applicable rules under Companies (Meetings of Board and its powers) rules, 2014 and in terms of applicable provisions of Listing Agreement executed with the Stock Exchanges (including any amendment, modification or re-enactment thereof), and subject to such other approvals, consents, sanctions and permissions as may be necessary, consent of the members of the company be and is hereby accorded to the Board of Directors for the ratification of the related party transaction entered into with M/s. Country Club (India) Limited (Related party within the meaning of the Act), which is engaged in entertainment activity of running clubs, resorts etc., and the detailed terms and conditions of which are mentioned in Item No. 15 of the explanatory statement annexed to this notice for the purpose of providing the services with such related party.

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

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

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

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

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

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

PLACE: HYDERABAD  
DATE: 13-08-2014

LAXMIKANTH JAKHOTIA  
COMPANY SECRETARY



**NOTES**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 23rd September, 2014 to Tuesday, 30th September, 2014 (both days inclusive).
4. As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of upto five consecutive years and are not liable to retire by rotation. Accordingly, resolutions proposing appointment of Independent Directors are given at item nos. 2, 9 to 12. The relevant details of Directors seeking appointment / re-appointment under item no. 4 to 8 of this Notice are provided at Page Nos. 14 - 15 of the said Annual Report.
5. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses with the Company, physical copies of the Annual Report are being sent by the permitted mode. Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
6. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Monday, 22nd September, 2014, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. The e-voting period will commence at 9.00 a.m. on Wednesday, 24th September, 2014 and will end at 5.00 p.m. on Friday, 26th September, 2014. The Company has appointed Mr. Gopal Dhanaji, Practising Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

**PROCEDURE FOR E-VOTING**

- I. The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating e-voting for AGM. The instructions for e-voting are as under:
  - (a) **In case of Members receiving an e-mail from NSDL:**
    - a. Open your web browser during the voting period and log on to the e-voting website <https://www.evoting.nsdl.com>
    - b. Click on "Shareholder-Login:
    - c. Put user ID and Password noted in step (a) above as the initial password. Click login. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for Login.
    - d. If you are logging in for the first time, Password Change Menu appears. Change the Password of your choice with minimum 8 digits / characters or a combination thereof. Please note the new Password for all the future e-





- voting cycles offered on NSDL e-voting Platform. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
- e. Home page of "e-voting" opens. Click on "e-voting": Active Voting Cycles.
  - f. Select "EVEN (E-Voting Event Number)" of Country Condo's Limited. For and EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution during the voting period.
  - g. Now you are ready for "e-voting" as "Cast Vote" Page opens.
  - h. Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Kindly note that vote once cast cannot be modified.
  - i. Institutional members (i.e. members other than individuals, HUF, NRIs, etc.) are also required to send scanned copy (PDF/JPG format) of the relevant board resolution / authority letter, etc. together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through email at : [scrutinizer@countrycondos.co.in](mailto:scrutinizer@countrycondos.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - j. Once the vote on a resolution is cast by the shareholder he/she shall not be allowed to change it subsequently.

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

7. The Companies (Management and Administration) Rules, 2014 provides that the electronic voting period shall be completed three days prior to the date of AGM. Accordingly, the voting period shall commence at 9.00 a.m. on Wednesday, 24th September, 2014 and will end at 5.00 p.m. on Friday, 26th September, 2014. The e-voting module shall be disabled by NSDL at 5.00 p.m. on the same day.
8. The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report shall also be placed on the website of the Company.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / M/s. Aarthi Consultants Private Limited, (Unit: Country Condo's Limited).
10. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
11. 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).
12. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
13. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
14. Pursuant to Clause 49 of the Listing Agreement, brief profile of the Directors appointed / Re-appointed is given as annexure at Page No. 14 - 15.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013:**

**Item no. 4:**

The Board, at its meeting held on May 29, 2014, appointed Smt. Y. Manjula Reddy as an Additional Director of the Company with effect from May 29, 2014, pursuant to Section 161 of the Companies Act, 2013, read with Article 141 of Articles of Association of the Company.

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Pursuant to the provisions of Section 161 of the Companies Act, 2013, Smt. Y. Manjula Reddy will hold office upto the date of ensuing Annual General Meeting. The Company has received the notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a requisite deposit proposing the candidature of Smt. Y. Manjula Reddy for the office of director.

The Company has received from Smt. Y. Manjula Reddy (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, and (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The resolution seeks the approval of the members for the appointment of Smt. Y. Manjula Reddy as an Director of the Company whose office is liable to retire by rotation in terms of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. A brief profile of Smt. Y. Manjula Reddy, including nature of her expertise, is provided at page no. 14 of this Annual Report.

Smt. Y. Manjula Reddy may be deemed to be concerned or interested, financially or otherwise, to the extent of the aforesaid shareholding in respect of her appointment as a Director. Sri Y. Rajeev Reddy, Sri Y. Siddharth Reddy, and Sri Y. Varun Reddy, Directors of the Company who are her relatives, may be deemed to be concerned or interested in the appointment of Smt. Y. Manjula Reddy.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.4 of the Notice.

The Board recommends the resolution set forth in Item no. 4 for the approval of the members.

### **Item no. 5:**

The existing tenure of Sri Y. Rajeev Reddy, Chairman & Managing Director expires on 10th August, 2014. Keeping in view the immense contribution made by him to the Company, the nomination and remuneration committee has recommended for the re-appointment of Sri Y. Rajeev Reddy for a further period of 5 years w.e.f. 10th August, 2014 in terms of Section 203 of the Companies Act, 2013.

Board of Directors recommends the Re-appointment of Sri Y. Rajeev Reddy as Non-Executive Chairman of the Company. As per the provisions of the Companies Act 2013, approval of Members in General Meeting is required for the Re-appointment of Sri Y. Rajeev Reddy as Non-Executive Chairman of the Company. A brief profile of Y. Rajeev Reddy, including nature of his expertise, is provided at page no. 14 of this Annual Report.

Sri Y. Rajeev Reddy may be deemed to be concerned or interested, financially or otherwise, to the extent of the aforesaid shareholding in respect of his Re-appointment as a Non-Executive Chairman. Smt. Y. Manjula Reddy, Sri Y. Siddharth Reddy, and Sri Y. Varun Reddy, Directors of the Company who are his relatives, may be deemed to be concerned or interested in the Re-appointment of Sri Y. Rajeev Reddy.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

The Board recommends the resolution set forth in Item No. 5 of the Notice for the approval of the members.

### **Item no. 6 & 7:**

The existing tenure of Sri Y. Siddharth Reddy, Joint Managing Director & CEO and Sri Y. Varun Reddy, Joint Managing Director & COO expires on 10th August, 2014. Keeping in view the immense contribution made by them to the Company, the nomination and remuneration committee has recommended for the re-appointment of Sri Y. Siddharth Reddy and Sri Y. Varun Reddy, whose office is liable to retire by rotation in terms of Section 149 & 152 of the Companies Act, 2013.

Board of Directors recommends the Re-appointment of Sri Y. Siddharth Reddy as Non-Executive Vice-Chairman & Director and Sri Y. Varun Reddy as Non-Executive Vice-Chairman & Director. As per the provisions of the Companies Act 2013, approval of Members in General Meeting is required for the Re-appointment of Sri Y. Siddharth Reddy and Sri Y. Varun

## COUNTRY CONDO'S LIMITED



Reddy as Directors of the Company with a designation referred above. A brief profile of Sri Y. Siddharth Reddy and Sri Y. Varun Reddy, including nature of their expertise, is provided at page no. 14 of this Annual Report.

Sri Y. Siddharth Reddy and Sri Y. Varun Reddy may be deemed to be concerned or interested, financially or otherwise, to the extent of the aforesaid shareholding in respect of their Re-appointment as a Non-Executive Vice-Chairman & Director. Sri Y. Rajeev Reddy and Smt. Y. Manjula Reddy, Directors of the Company who are their relatives, may be deemed to be concerned or interested in the Re-appointment of Sri Y. Siddharth Reddy and Sri Y. Varun Reddy.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No.6 & 7 of the Notice.

The Board recommends the resolution set forth in Item No. 6 & 7 of the Notice for the approval of the members.

### **Item no. 8:**

The existing tenure of Sri D. Krishna Kumar Raju, Director expires on 10th August, 2014. Keeping in view the immense contribution made by him to the Company, the nomination and remuneration committee has recommended for the re-appointment of Sri D. Krishna Kumar Raju for a further period of 5 years w.e.f. 10th August, 2014 in terms of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Board of Directors recommends the Re-appointment of Sri D. Krishna Kumar Raju as Vice-Chairman & Chief Executive Officer of the Company. As per the provisions of the Companies Act 2013, approval of Members in General Meeting is required for the Re-appointment of Sri D. Krishna Kumar Raju as Vice-Chairman & Chief Executive Officer of the Company. A brief profile of Sri D. Krishna Kumar Raju, including nature of his expertise, is provided at page no. 14 of this Annual Report.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Sri D. Krishna Kumar Raju for his Re-appointment, is concerned or interested, financially or otherwise, in the Resolution set forth at Item No. 8 of the Notice.

The Board recommends the resolution set forth in Item No. 8 of the Notice for the approval of the members.

### **Item No. 2 and 9 to 12:**

In accordance with the relevant provisions of the Articles of Association of the Company and the erstwhile provisions of the Companies Act, 1956, Sri P. V. V. Prasad was appointed by the Company on 31st March, 2001 and Sri G. Venkateshwar Rao, Sri S. Bal Reddy, Sri A. VSB Laxmipathi Rao & Shri V K Ramudu, Independent Directors of the Company were appointed by the Members of the Company in the 22nd Annual General Meeting of the Company held on 10th August, 2009. The provisions of the Companies Act, 2013 and rules made thereunder and as per Clause 49 of the Listing Agreement, with respect to appointment and tenure of the Independent Directors have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

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

Sri P. V. V. Prasad, Sri G. Venkateshwar Rao, Sri S. Bal Reddy, Sri A. VSB Laxmipathi Rao & Sri V K Ramudu, who retires by rotation at the Annual General Meeting as per the erstwhile applicable provisions of the Companies Act, 1956, In terms of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule IV to the said Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint Sri P. V. V. Prasad, Sri G. Venkateshwar Rao, Sri S. Bal Reddy,

## COUNTRY CONDO'S LIMITED



Sri A. VSB Laxmipathi Rao & Sri V K Ramudu, as Independent Directors on the Board of the Company for a term upto five consecutive years, commencing from 30th September, 2014 not liable to retire by rotation. A brief profile of proposed Independent Directors, including nature of their expertise, is provided at page no. 14 & 15 of this Annual Report.

The Company has received the notice in writing under the provisions of Section 160 of the Companies Act, 2013, from members proposing the candidature of Sri P. V. V. Prasad, Sri G. Venkateshwar Rao, Sri S. Bal Reddy, Sri A. VSB Laxmipathi Rao & Sri V K Ramudu for the office of Independent Director.

The Company has received from Sri P. V. V. Prasad, Sri G. Venkateshwar Rao, Sri S. Bal Reddy, Sri A. VSB Laxmipathi Rao & Sri V K Ramudu (i) consent in writing to act as directors in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, and (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to effect that they are not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their appointment, is concerned or interested, financially or otherwise, in the Resolution set forth at Item No. 2 and 9 to 12 of the Notice.

The Board recommends the resolution set forth at Item No. 2 and 9 to 12 of the Notice for the approval of the members.

### **Item No. 13 & 14:**

Under the Act, Directors have been entrusted with new responsibilities to make their role more objective and purposeful. Keeping in view the enhanced role, responsibilities and duties of directors, it is considered appropriate that the remuneration payable to the Directors by the Company should be commensurate with their increased role, responsibilities and duties.

Section 197 of the Act provides for payment of remuneration to the directors as under:

- (a) Payment of remuneration to any one managing director / whole-time director / manager shall not exceed 5% of the net profits of the Company; and
- (b) Payment of remuneration to directors who are neither managing directors nor whole-time directors (that is non-executive independent directors) shall not exceed 1% of the net profits of the Company.

The Board of Directors of the Company has, subject to the approval of members of the Company, proposed to remunerate the Directors as under:

- (a) The executive director (i.e. the Vice-Chairman & CEO), may be paid remuneration not exceeding in aggregate Five percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Act; and
- (b) The non-executive directors (i.e. Independent Directors) may be paid remuneration not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Act.

The said remuneration to non-executive directors shall be in addition to the sitting fee payable to them for attending meetings of the Board and Committees thereof.

Save and except all the executive directors of the Company and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 13 of the Notice.

Save and except all the non-executive Independent Directors of the Company and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 14 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 13 and Item No. 14 of the Notice for approval by the shareholders.

## COUNTRY CONDO'S LIMITED



### Item No. 15:

On 1st April, 2011 Country Condo's Limited (CCL) has entered into a Memorandum of Understanding (MOU) with Country Club (India) Limited (CCIL), a company registered under the Companies Act, 1956 and having its registered office located at Amrutha Castle, 5-9-16, Saifabad, Opp: Secretariat, Hyderabad - 500063 and which is engaged in entertainment activity of running clubs, resorts etc., for the purpose of providing services to CCIL for implementing a scheme for improving CCIL member base whereby a piece of land is given as a free gift on enrolment of every new member.

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

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

Subsequently, the Board of Directors of the company in their meeting held on 13th August, 2014 has approved the ratification of the related party transaction entered into with CCIL on 1st April, 2011 & 30th June, 2014 and hence the Board of Directors recommends the resolution for the Members approval by way of Special resolution.

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

S. No	Particulars	Details of Existing Agreement entered on 1st April, 2011	Details of Supplemental Agreement entered on 30th June, 2014
1.	Name of the related party	Country Club (India) Limited	Country Club (India) Limited
2.	Name of the Director or Key Managerial who is related	Rajeev Reddy Yedaguri, Manjula Reddy Yedaguri, Siddharth Reddy Yedaguri, Varun Reddy Yedaguri, Krishna Kumar Raju Datla.	Rajeev Reddy Yedaguri, Manjula Reddy Yedaguri, Siddharth Reddy Yedaguri, Varun Reddy Yedaguri, Krishna Kumar Raju Datla.
3.	Nature of Relationship	Common Directors & Share holders	Common Directors & Share holders
4.	Nature of the contract	Memorandum of Understanding (MOU) entered on 01st day of April, 2011.	Supplemental Agreement in continuation with the existing agreement entered on 30th day of June, 2014.
5.	Material terms and particulars of the contract	<p>a) CCL shall identify lands around various cities across India and acquire them directly or indirectly.</p> <p>b) CCL shall obtain residential land use certificate for the lands so acquired.</p> <p>c) CCL shall develop the lands into layouts by making plots and provide various amenities like roads, electricity, water, drainage etc. by obtaining permissions from relevant civic authorities.</p> <p>d) CCL shall register the said developed plots in the names of the members of CCIL or its nominees by way of executing a gift deed.</p>	<p>a) CCL shall identify lands around various cities across India and acquire them directly or indirectly.</p> <p>b) CCL obtain necessary statutory permissions for conversion of the lands into residential land use from the concerned authorities.</p> <p>c) CCL shall also arrange for making plans and drawings for residential layouts on the lands purchased and get the same approved from the local civic authorities.</p> <p>d) CCL shall develop the layouts and provide various amenities like motorable roads, electricity and plantation of trees for common area</p> <p>e) CCL shall hold the inventory of plots in the above developed layouts and transfer the individual plots in favour of the CCIL or in favour of its members as identified by the CCIL or in favour of any of its nominees by collecting the additional amount towards</p>

## COUNTRY CONDO'S LIMITED



			registration, documentation, legal, consultation, basic development works like Plot Marking, Plot Numbering, Road Markings, Maintenance etc. as decided by both the parties by mutual consent.
6.	Consideration payable	CCIL shall pay an amount of ₹ 12,500/- (Rupees Twelve thousand five hundred only) per plot all inclusive.	1. CCL shall incur all expenditure on their own in procurement, conversion and development of the lands. However, the CCIL may pay advances to the CCL as per mutual agreement from time to time. These advances shall however be adjusted against consideration payable by the CCIL. 2. CCIL shall pay an amount of ₹ 25,000/- to ₹ 2,00,000/- per plot of 150 square yards or proportionate thereof (all inclusive).
7.	Any other information relevant or important for the members to take a decision on the proposed resolution	NONE	NONE

The copy of the said contracts will be available for inspection by the members at the Annual General Meeting.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Rajeev Reddy Yedaguri, Manjula Reddy Yedaguri, Siddharth Reddy yedaguri, Varun Reddy yedaguri and Krishna Kumar Raju Datla, is concerned or interested, financially or otherwise, in the Resolution set forth at Item No. 15 of the Notice.

The Board recommends the resolution set forth at Item No. 15 of the Notice for the approval of the members.

### Item No. 16:

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

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

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

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

The Directors recommend the Resolution at Item No. 16 for the approval of the Members.

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

PLACE: HYDERABAD  
DATE: 13-08-2014

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. MANJULA REDDY</b>
Age	54 years
Qualifications	MA and MBA
Experience	Vast Experience in Management, Administration, Fashion And Interior Designing
Other Directorships	10

Name	<b>Y. RAJEEV REDDY</b>
Age	58 years
Qualifications	B. Com (Hon)
Experience	Vast Experience in Leisure and Hospitality Industry.
Other Directorships	17

Name	<b>Y. SIDDHARTH REDDY</b>
Age	31 years
Qualifications	Degree in Finance from University of Texas, Austin
Experience	Experience in Financial Planning and Financial Management.
Other Directorships	17

Name	<b>Y. VARUN REDDY</b>
Age	29 years
Qualifications	BA in Economics from University of Rutgers, New Jersey
Experience	Experience in Marketing and Corporate Communication.
Other Directorships	11

Name	<b>D. KRISHNA KUMAR RAJU</b>
Age	57 years
Qualifications	B. Com (Hons) from Osmania University
Experience	Experience in finance, Pharma and Real Estate & Construction Industry
Other Directorships	14

Name	<b>P. V. V. Prasad</b>
Age	52 years
Qualifications	B. Com from Andhra University
Experience	Experience in Real Estate Construction & Development, Trading and Business Administration.
Other Directorships	NIL

Name	<b>G. Venkateshwar Rao</b>
Age	51 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	50 years
Qualifications	Under Graduate
Experience	Experience in Real Estate Development.
Other Directorships	NIL

## COUNTRY CONDO'S LIMITED

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Name	<b>A. VSB Laxmipathi Rao</b>
Age	62 years
Qualifications	Under Graduate
Experience	Experience in General Construction activities.
Other Directorships	NIL

Name	<b>VK Ramudu</b>
Age	59 years
Qualifications	Under Graduate
Experience	Experience in Real Estate Construction & Contracts.
Other Directorships	NIL





**DIRECTORS' REPORT**

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

The Directors have pleasure in presenting the 27th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2014.

**FINANCIAL RESULTS**

(₹ in Lakhs)

Particulars	Year ended 31.03.2014 (12 Months)	Year ended 31.03.2013 (12 Months)
Turnover	803.24	672.12
Profit / (Loss)	55.00	81.87
Balance brought forward	183.83	101.96
Balance carried forward	238.83	183.83

**FINANCIAL PERFORMANCE OF THE COMPANY**

The Board would like to inform that the development of the Company's real estate & construction activities and Hospitality Income has grown and has achieved a Turnover of ₹803.24 Lakhs comparing Last years ₹672.12 Lakhs only and has achieved a Profit of ₹55.00 Lakhs, Further, other income of ₹5.55 Lakhs has been arrived in addition to the real estate & hospitality income.

During this year the Company had a Net Profit of ₹55.00 Lakhs. The entire Profits of the Company had been transferred to General Reserves to strengthen the Reserves of the Company. Currently the accumulated P&L Account Surplus is ₹238.83 Lakhs.

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

**SHARE CAPITAL**

The Paid-up Share Capital of the Company stands at ₹7,75,97,300/- (Rupees Seven Crores Seventy Five Lakhs Ninety Seven Thousand Three Hundred Only) as on 31st March, 2014.

The entire Paid-up Share Capital of your Company is listed with both the Stock Exchange(s) namely, M/s. Bombay Stock Exchange Limited (BSE) and M/s. National Stock Exchange of India Limited (NSE).

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

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

## COUNTRY CONDO'S LIMITED



### PARTICULARS OF EMPLOYEES

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

### BOARD OF DIRECTORS

During the FY 2013-14, there was no change in the constitution of the Board of Directors.

Sri V. K. Ramudu, retires by rotation at the ensuing 27th Annual General Meeting and being eligible offer himself for re-appointment as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014, not liable to retire by rotation.

In accordance with the Provision of the Companies Act, 2013, Sri P. V. V. Prasad, Sri G. Venkateshwar Rao, Sri S. Bal Reddy, Sri A. VSB Laxmipathi Rao & Sri V K Ramudu, has been appointed as Independent Directors on the Board of the Company for a term upto five consecutive years, commencing from 30th September, 2014 not liable to retire by rotation.

In accordance with the Provision of Section 161 of the Companies Act, 2013, read with Article 141 of Articles of Association of the Company, Smt. Y. Manjula Reddy, who was appointed as Additional Director of the Company on 29th May, 2014, has been proposed to be appointed as a director of the Company whose office is liable to retire by rotation.

In accordance with the Provision of the Companies Act, 2013, Sri Y. Rajeev Reddy, has been proposed to be re-appointed as Non-Executive Chairman of the Company for a period of 5 (five) years with effect from August 10, 2014.

In accordance with the Provision of the Companies Act, 2013, Sri Y. Siddharth Reddy & Sri Y. Varun Reddy, has been proposed to be re-appointed as Non-Executive Vice-Chairman & Director of the Company whose office is liable to retire by rotation.

In accordance with the Provision of the Companies Act, 2013, Sri D. Krishna Kumar Raju, has been proposed to be re-appointed as Vice-Chairman & Chief Executive Officer of the Company for a period of 5 (five) years with effect from August 10, 2014.

### SECRETARIAL AUDIT REPORT

As a measure of good corporate governance practice, the Board of Directors of the Company appointed Mr. Gopal Dhanaji, Practising Company Secretary, to conduct the Secretarial Audit. The Secretarial Audit Report for the financial year ended March 31, 2014, is provided in the Annual Report.

The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, the 98 sections of the Companies Act, 2013 notified vide Ministry of Corporate Affairs Gazette Notification No. S.O. 2754(E) dated September 12, 2013, the Securities Contracts (Regulation) Act, 1956 and Depositories Act, 1996, all the Regulations and Guidelines of SEBI as applicable to the Company, including the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, Listing Agreements entered with the Stock Exchanges and the Memorandum and Articles of Association of the Company.

### 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 to hold office from the conclusion of this AGM to the Conclusion of the Third consecutive AGM.

## COUNTRY CONDO'S LIMITED



M/s. P. Murali & Co., Chartered Accountants have furnished a certificate of their eligibility U/s 141 of the Companies Act, 2013. 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 31-03-2014, 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.

The Board has taken a decision in its Board Meeting held on 5th March, 2014 to delist the Securities of the Company from the DSE, since it does not have nationwide trading terminals.

The Company has received the approval to delist its securities from Delhi Stock Exchange Limited, New Delhi Vide their Letter Reference No. DSE/LIST/8824/0073/0106 Dated April 26, 2014. The Copy of the same is available for the Inspection of the Members at the 27th Annual General Meeting of the Company.

The Company has paid the Annual Listing Fees to the above Stock Exchanges for the year 2014-15.

### CORPORATE GOVERNANCE

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

### MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

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

### A. INDUSTRY BACKGROUND

With the increasing Government thrust on creation / development of infrastructure facilities in the country, the opportunity in the Sector has grown tremendously. Several new projects are being planned and many are already under execution. Besides, the Government regulations have become liberal and various measures are being taken to promoter private participation in the infrastructure sector. With the introduction of projects on BOT / BOOT / BOLT has made investments in

## **COUNTRY CONDO'S LIMITED**



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 grab every opportunity in its sphere. Further the Company plans to expand its activities in the areas of Hotel and Hospitality Sector and looking to take up the Entertainment, Tours & Travels, and Event Management Operations.

### **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 achieved the Net Profits of ₹55.00 Lakhs. Though there is a huge fall in the Real Estate Sector in the last few years, the Company's Profit has slightly declined and slowly & steadily the profits are consolidating. Our EBIT in the Financial Year 2013-14 is ₹81.36 as against ₹68.28 Lakhs for the Previous Financial Year 2012-13, there is a significant rise in the EBIT which has climbed up with 33% increase. However, our goal is to increase our Net Profits 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 and good Hospitality Services has given us rich dividends. We continue to strive to give our members great value proposition good facilities, toe tapping entertainment and memories that will last a life time.

#### **CAUTIONARY STATEMENT**

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

#### **PERSONNEL**

Presently the Company enjoys cordial relations with employees and believes that human resources are invaluable asset. The Board wishes to place on record its appreciation to all employees for their efforts and co-operation for the performance and growth of business during the year. Company acknowledges the good work shown by its employees by enhancing their salaries up by 10-20%.

## **COUNTRY CONDO'S LIMITED**

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### **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 : 13-08-2014

Y. RAJEEV REDDY  
CHAIRMAN & MANAGING DIRECTOR

Y. SIDDHARTH REDDY  
JOINT MANAGING DIRECTOR & CEO



**ANNEXURE - "A" TO DIRECTORS REPORT- CORPORATE GOVERNANCE  
(Pursuant to Clause 49 of the Listing Agreement)**

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

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

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

**2. BOARD OF DIRECTORS:**

- a) The Company has 9 Directors with an Executive Chairman & Managing Director. Out of 9 Directors, 6 are Non-Executive of which 5 are Independent Directors. The composition of the Board is in conformity with clause 49 of the Listing Agreements entered into with the Stock Exchanges and meets the stipulated requirements.
- b) None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 Companies across all the Companies in which he is a Director. The Directors have made necessary disclosures regarding Committee positions in other public companies as on 31st March, 2014.
- c) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies is given below. Other Directorships do not include alternate directorships, directorships of private limited companies, section 25 companies and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit, Shareholders / Investors Grievance & Remuneration Committees.
- d) 7 Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:  
30th May, 2013, 14th August, 2013, 14th November, 2013, 16th December, 2013, 3rd February, 2014, 14th February, 2014, and 5th March, 2014.

Name of the Director	Category	No. of Other Directorships which Member	No. of Committee in attended	No. of Board Meetings last AGM	Whether attended
Y. Rajeev Reddy	Chairman & Managing Director	14	Nil	6	Yes
Y. Siddharth Reddy	Joint Managing Director & CEO	14	Nil	5	No
Y. Varun Reddy	Joint Managing Director & COO	10	Nil	5	Yes
D. Krishna Kumar Raju	Non-Executive Director	7	1	6	Yes
P. V. V. Prasad	Independent Non-Executive	Nil	Nil	7	Yes
G. Venkateshwar Rao	Independent Non-Executive	Nil	Nil	7	Yes
S. Bal Reddy	Independent Non-Executive	Nil	Nil	7	Yes
A. VSB Laxmipathi Rao	Independent Non-Executive	Nil	Nil	4	Yes
VK Ramudu	Independent Non-Executive	Nil	Nil	3	Yes

## COUNTRY CONDO'S LIMITED



- 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.

### AUDIT COMMITTEE:

- I). The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.
- II) The terms of reference of the Audit Committee include a review of;
  - a. Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
  - b. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
  - c. Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - d. Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
  - e. Reviewing with management the annual financial statements before submission to the Board, focusing on:
    - i Any changes in accounting policies and practices;
    - ii Qualification in draft audit report;
    - iii Significant adjustments arising out of audit;
    - iv The going concern concept;
    - v Compliance with accounting standards;
    - vi Compliance with stock exchange and legal requirements concerning financial statements;
    - vii Any related party transactions
  - f. Reviewing the Company's financial and risk management's policies.
  - g. Disclosure of contingent liabilities.
  - h. Reviewing with management, external and internal auditors, the adequacy of internal control systems.
  - i. Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
  - 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 30th September, 2013 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 2013-14)	No. of Meetings HELD (During the year 2013-14)
Sri. P. V. V. Prasad	Independent, Non-Executive	Chairman	4	4
G. Venkateshwar Rao	Independent, Non-Executive	Member	4	4
S. Bal Reddy	Independent, Non-Executive	Member	4	4

- V) Four Audit Committee meetings were held during the year. The dates on which the said meetings were held are as follows: 30th May, 2013, 14th August, 2013, 14th November, 2013, and 14th February, 2014.

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.

#### **REMUNERATION COMMITTEE**

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

However, the remuneration of the Managing Directors / Whole-time Directors is subject to approval of the board and the Company in General Meeting and such approvals as may be necessary.

#### **a) The Remuneration Committee for the year was constituted of the following members:**

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

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

To fix the remuneration packages of Executive Directors i.e., Managing Directors and Whole-time Directors, etc.,

To decide on the elements of remuneration package of all the Directors i.e., Salary, Benefits, Bonus, Stock Options, Pensions, etc.,

- b) During the year, No remuneration committee meeting was held.

#### **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:

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

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

The total No. of Complaints received and resolved during the year 2013-2014 was Nil.

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

There were No outstanding complaints as on 31st March, 2014.





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

GM & YEAR	VENUE	DATE & TIME	SPECIAL RESOLUTIONS PASSED
26th AGM 2012-2013	CROWN VILLA GARDENS, (Le Palais Royal), "Ibrahim Mahal", 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad - 500 003	30-09-2013 12.00 Noon	<b>No Special Resolutions were passed</b>
25th AGM 2011-2012	Sri Agrasen Bhavan # 149, Brig.Sayeed Road, Sappers Line, Secunderabad -500 003	29-09-2012 11.30 A.M	<b>No Special Resolutions were passed</b>
24th AGM 2010-2011	Sri Agrasen Bhavan # 149, Brig. Sayeed Road, Sappers Line, Secunderabad -500 003	30-09-2011 03.00 P.M	<b>2 Special Resolutions were passed:</b> 1. For International Offering of Securities through Global Depository Receipt up to USD 200 Million. 2. For Offering of Securities to Qualified Institutional Buyers upto 50 Crores Equity Shares.

**Special Resolution passed through postal ballot during the year 2013-14:**

1. One Special Resolution was passed on 1st February, 2013, through Postal Ballot and accordingly implemented the resolutions. The details are as follows:

Authorization to provide guarantee to or Security in connection with loans made to other Body Corporate in excess of the limits specified U/s. 372A of the Companies Act, 1956. Details of aforesaid special resolution passed through Postal Ballot are as under:

**a) Person who conducted the Postal Ballot exercise:** The board appointed Mr. Gopal Dhanaji, Practicing Company Secretary, as a Scrutinizer to conduct postal ballot voting process. Mr. Gopal Dhanaji conducted the process and submitted his Report to Mr. Y. Rajeev Reddy, Chairman & Managing Director of the Company.

**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.

**Two Special Resolutions are proposed to be passed through Postal Ballot for the forthcoming year. As per the new Companies Act, 2013 the validity of the resolutions Passed under Section 293(1)(a) & 293(1)(d) of the erstwhile Companies Act, 1956 is only upto one year from the date of notification (12-09-2013). Hence in order to keep the resolution effective the members need to pass the same through the Postal Ballot.**

**7. DISCLOSURES**

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

## COUNTRY CONDO'S LIMITED



No. 24 of Notes forming part of Balance sheet in the Annual Report of the Company. None of the transaction with the related parties is in conflict with the interest of the Company.

- B. Details of non-compliance by the Company, penalties, Strictures imposed on the Company by stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years : None
- C. Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this clause. Your Company complied with all the mandatory requirements under clause 49 of the Listing Agreement. The details of these compliances are given in the relevant sections of this Report.

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

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

### 9. MEANS OF COMMUNICATIONS:

As per the Clause 41 of the Listing agreement, the Company's Quarterly, Half-yearly and Annual Results are published in Business Standard in English and Andhra Prabha / Surya in Telugu Newspapers. The Annual Report and other communication are sent to the shareholders through Courier / Post / Email and soft copies of 27th Annual Report containing its Balance sheet, Profit & Loss Account, Notes to Balance sheet, Notice and Report of Director's and Auditors thereon to all those shareholders who have registered their email address with their Depository Participants for the said purpose and all future communications to shareholders would also be sent in electronic form as well to their respective email address registered with their Depository Participants. Your Company has responded the Green Initiative taken by the Ministry of Corporate Affairs for saving our Environment.

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

### 10. MANAGEMENT DISCUSSIONS AND ANALYSIS

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

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

The Company's Equity Shares are currently listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) and the Company has paid the Annual Listing Fees of all the Stock Exchanges where its Shares are listed and Annual Custodian Fees to Depositories for the Financial Year 2014-2015.

### 11. GENERAL SHARE HOLDER INFORMATION:

<b>(I) Annual General Meeting</b>	
Date	30th September, 2014
Time	12.00 Noon
Venue	Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad - 500 003

<b>(II) Financial Calendar</b> 1st April, 2014 to 31st March, 2015	
And the Adoption of Quarterly Financial Results will be as follows:	
Quarter ending June 30, 2014	Second Week of August, 2014
Quarter ending September 30, 2014	Second Week of November, 2014
Quarter ending December 31, 2014	Second Week of February, 2015
Quarter ending March 31, 2015	Before the end of May, 2015
Annual General Meeting for FY ended 31st March, 2015	Before the end of September, 2015

## COUNTRY CONDO'S LIMITED



<b>(III) Date of Book Closure</b>	23rd September, 2014 to 30th September, 2014 (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)
---------------------------------------	---

<b>(VI) Stock Details</b>	<b>Scrip Code</b>	<b>Scrip ID</b>
Bombay Stock Exchange Ltd	531624	COUNCODOS
National Stock Exchange of India Limited	COUNCODOS	
<b>Dematerialization of Securities</b>	ISIN: INE 695 B01025	

<b>(VII) Market Price Data:</b>		During the financial year the shares of the Company were traded only on M/s. National Stock Exchange of India Limited (NSE) & M/s. Bombay Stock Exchange Limited (BSE). Hence the Market Price data monthly High and Low can be provided as per the quote on the NSE & BSE as under:		
<b>High, Low during each Month in last Financial Year</b>				
Month	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2013	1.27	0.96	1.10	0.90
May, 2013	0.94	0.86	1.05	1.00
June, 2013	0.87	0.82	1.20	1.00
July, 2013	0.89	0.81	1.25	1.10
August, 2013	0.89	0.81	1.05	1.00
September, 2013	0.77	0.70	1.15	0.95
October, 2013	0.82	0.73	1.05	0.95
November, 2013	0.70	0.61	0.90	0.80
December, 2013	0.88	0.67	1.30	0.80
January, 2014	1.56	0.92	2.35	1.35
February, 2014	3.28	1.48	4.15	2.45
March, 2014	3.09	2.37	3.40	2.20

**(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  
Email: 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  
Email: info@arthiconsultants.com

## COUNTRY CONDO'S LIMITED



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. Aarhi 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. Aarhi Consultants Private Limited at above-mentioned address. The R & T Agent process the Physical Share Transfers and the Share Certificates are returned to the Shareholder with in a maximum period of 30 days from the date of receipt, subject to the documents being valid and complete in all 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), within 15 days of receipt.

### (XI) Distribution of Shareholding as on 31-03-2014

Share Holding of Nominal Value	Share Holders		Share Amount	
	Numbers	% of Total	In	% of Total
(1)	(2)	(3)	(4)	(5)
Upto 5,000	7358	86.34	9002680	11.6
5,001 10,000	677	7.94	4818230	6.21
10,001 20,000	259	3.04	3671160	4.73
20,001 30,000	89	1.04	2276556	2.93
30,001 40,000	32	0.38	1138641	1.47
40,001 50,000	19	0.22	856218	1.1
50,001 1,00,000	43	0.5	3060930	3.94
1,00,001 and above	45	0.53	52772885	68.01
<b>TOTAL</b>	<b>8522</b>	<b>100</b>	<b>77597300</b>	<b>100</b>

**COUNTRY CONDO'S LIMITED**



**(XII) According to the categories of Shareholding as on 31-03-2014**

	<b>CATEGORY</b>	<b>No. of Shares held</b>	<b>%of shareholding</b>
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group:</b>		
(1)	Indian		
a.	Individuals/Hindu Undivided Family	36168509	46.61
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>36168509</b>	<b>46.61</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>36168509</b>	<b>46.61</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	2289092	2.95
b.	Individuals		
	i) Individual Shareholders holding Nominal Share Capital upto Rs. 1 Lakh	22264596	28.69
	ii) Individual Shareholders holding Nominal Share Capital in excess of Rs. 1 Lakh	15504798	19.98
	Others:		
c.	Non- Residents Individuals	1303659	1.68
d.	Overseas Corporate Bodies	---	---
e.	Trusts	---	---
f.	Employees	---	---
g.	Clearing Members	66646	0
	<b>Sub-Total (B)(2)</b>	<b>41428791</b>	<b>53.39</b>
	<b>Total Public Shareholding B = (B)(1) + (B)(2)</b>	<b>41428791</b>	<b>53.39</b>
	<b>TOTAL (A+B)</b>	<b>77597300</b>	<b>100.00</b>
<b>(C)</b>	<b>Shares held by Custodians and against Depositories Receipts have been issued</b>		
		---	---
	<b>GRAND TOTAL (A+B+C)</b>	<b>77597300</b>	<b>100.00</b>

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**(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 :** 70294766 Shares representing 90.59% of the Company's total equity share capital were held in dematerialized form of which 78.23% was held in National Securities Depository Limited (NSDL) and 12.36% was held in Central Depository Services (India) Limited (CDSL) as on 31st March, 2014.

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

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

**(XV) Outstanding GDRs /ADRs / Warrants or any Convertible instruments, conversation date and likely impact on equity :** During the year the Company has not issued GDR's / ADR's / Warrants / FCCB's or any other Convertible Instruments.

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

**(XVII) Plant Locations:** Not Applicable

**(XVIII) Address for Correspondence:** # 8-2-703, Mahogany Complex, Ground Floor,  
Amrutha Valley, Road No.12, Banjara Hills, Hyderabad - 500 034.  
Ph: 040-64541609 ; Fax: 040-66833954  
Email: info@countrycondos.co.in, countrycondos@gmail.com

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

M/s. National Securities Depository Limited Trade World, 4th 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 28th 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 :** Section 72 of the Companies Act, 2013 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders willing to avail this facility may make nomination in Form SH-13 for initial registration of nomination and Form SH-14 for cancellation and variation of nomination as per Companies Act, 2013 to the Company's R&TA. This nomination form should be submitted at Registrar and Share Transfer Agent (R. T. A.) as per the address mentioned in the Corporate Governance Report.

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

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

PLACE: HYDERABAD  
DATE : 13-08-2014

Y. RAJEEV REDDY  
CHAIRMAN & MANAGING DIRECTOR

Y. SIDDHARTH REDDY  
JOINT MANAGING DIRECTOR & CEO



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

I, Y. Siddharth Reddy, Joint Managing Director & CEO of Country Condo's Limited hereby declare that all the Board members and senior managerial personnel have affirmed for the year ended 31st March, 2014 compliance with the code of conduct of the Company laid down for them.

Y. Siddharth Reddy  
Joint Managing Director & CEO

Place : Hyderabad  
Date : 29.05.2014

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

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

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2014 and to the best of our knowledge and belief;

- These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
- These statements present a true and fair view of the Company's affair and are in compliance with the existing accounting standards, applicable laws and regulations.

2. That there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct;

3. That we accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which we are aware and the steps that we have taken or purpose to take and rectify the identified deficiencies and;

4. That we have informed the auditors and the audit committee of:

- a) Significant changes in the internal control during the year;
- b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- c) Instances of significant fraud of which we have become aware and the involvement of an employee having a significant role in the Company's internal control system.

Y. Siddharth Reddy  
Joint Managing Director & CEO

Place : Hyderabad  
Date : 29.05.2014



**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

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

We have reviewed the records concerning the Company's compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement into by the Company with the Stock Exchanges for the financial year ended on 31st March, 2014.

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  
Firm Registration No.: 007257S

PLACE : HYDERABAD  
Date : 29-05-2014

P.MURALI MOHANA RAO  
PARTNER  
Membership No. 23412





**INDEPENDENT AUDITOR'S REPORT**

To the Members of COUNTRY CONDO'S LIMITED

**Report on the Financial Statements:**

We have audited the accompanying financial statements of Country Condo's Limited "the Company", which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements:**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 8/2014 dated 4th April 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 March 31, 2014;
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:

## COUNTRY CONDO'S LIMITED

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- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books,
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts,
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 8/2014 dated 4th April 2014 issued by the Ministry of Corporate Affairs.
- e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For P.MURALI & CO.,  
CHARTERED ACCOUNTANTS  
Firm Registration No.: 007257S

PLACE : HYDERABAD  
DATE : 29-05-2014

P.MURALI MOHANA RAO  
PARTNER  
Membership No. 23412

**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 during the year but there is a regular programme of verification which, in our opinion, is reasonable with regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.  
(c) The Company has not disposed off substantial part of the Fixed Assets during the year.
- II. (a) The Inventory has been physically verified during the year and in our opinion, the frequency of verifications is reasonable.  
(b) In our opinion, the procedures of the physical verification of inventory followed by the Management are reasonable and adequate in relation of the size of the Company and the nature of its business.  
(c) The Company is maintaining proper records of inventory and as explained to us, there was no material discrepancies noticed on such verification of stocks as compared to book records.
- III. (a) The Company has given loans to Companies covered in the register maintained U/s.301 of the Companies Act, 1956. The outstanding amount of the said advance aggregating to Rs.13,216,185/-.  
(b) Terms and conditions on which advance have been granted to parties listed in the register maintained under section 301 is not prejudicial to the interest of company.  
(c) According to the information and explanations given to us, the company is regular is receipt loan given to Companies covered in the register maintained U/s.301 of the Companies Act, 1956.  
(d) As the Company has not taken any loans, the clause of whether the rate of interest & other terms and conditions on which loan have been taken from the parties covered in the register maintained U/s.301 of the Companies Act, 1956 is prejudicial to the interest of company, is not applicable.  
(e) As no loans are taken by the company, the clause of repayment of interest and principle 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.
- 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.

## COUNTRY CONDO'S LIMITED



- 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 taken secured loan from Banks. Company is regular in repaying the dues within due dates.
- XII.** According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII.** This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/Societies.
- XIV.** According to the information and explanations given to us, the company is not dealing or trading in shares, securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- XV.** According to the information and explanations given to us, the Company has given corporate guarantee and Mortgaged their property for loans taken by M/s.Country Club (India) Limited from Banks and Financial Institutions namely Vijaya Bank, Bank of India, Union Bank of India and Karvy Financial Services Limited. The terms and conditions are not prejudicial to the interest of the company.
- XVI.** According to the information and explanations given to us, the company has not obtained any Term Loans, hence this clause is not applicable.
- XVII.** According to the information and explanations given to us, no funds are raised by the Company on short-term basis. Hence the clause of short term funds being used for long-term investment does not arise.
- XVIII.** According to the information and explanations given to us, the Company has not made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.
- XIX.** According to the information and explanations given to us, the company does not have any debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.
- XX.** According to information and explanations given to us, the company has not raised money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by Public Issue is not applicable.
- XXI.** According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

For P.MURALI & CO.,  
CHARTERED ACCOUNTANTS  
Firm Registration No.: 007257S

PLACE : HYDERABAD  
DATE : 29-05-2014

P.MURALI MOHANA RAO  
PARTNER  
Membership No. 23412

## COUNTRY CONDO'S LIMITED

## Balance Sheet as at 31st March, 2014

Particulars	Note No	As on	As on
		31-03-2014	31-03-2013
		₹	₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	77,597,300	77,597,300
(b) Reserves and Surplus	2	96,800,778	91,300,979
<b>(2) Non-Current Liabilities</b>			
(a) Deferred tax liabilities (Net)	3	14,495,990	13,959,704
(b) Long-term borrowings	4	565,080	963,535
<b>(3) Current Liabilities</b>			
(a) Trade payables	5	3,708,091	2,731,050
(b) Other current liabilities	6	378,395,751	386,430,369
(c) Short-term provisions	7	5,226,731	5,227,811
<b>Total</b>		<b>576,789,721</b>	<b>578,210,748</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	8	110,481,849	108,967,998
(ii) Capital work-in-progress	8	-	447,608
(b) Long-term loans and advances	9	12,585,400	14,483,577
(c) Other Non-Current assets	10	116,000	232,000
<b>(2) Current assets</b>			
(a) Inventories	11	381,558,296	332,899,659
(b) Cash and Cash equivalents	12	14,284,619	35,789,716
(c) Short-term loans and advances	13	34,595,016	77,893,495
(d) Other current assets	14	23,168,541	7,496,695
<b>Total</b>		<b>576,789,721</b>	<b>578,210,748</b>

Summary of Significant Accounting Policies

The accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

For P.Murali & Co.,  
Firm Registration No: 007257S  
Chartered Accountants

For COUNTRY CONDO'S LIMITED

Y. Rajeev Reddy  
Chairman & Managing Director

Y. Siddharth Reddy  
Joint Managing Director & CEO

P.Murali Mohana Rao  
Partner  
Membership No. 023412

Laxmikanth Jakhotia  
Company Secretary

Place : Hyderabad  
Date : 29-05-2014

## COUNTRY CONDO'S LIMITED

## Statement of Profit and Loss for the year ended 31st March, 2014

Particulars	Note No	As on	As on
		31-03-2014	31-03-2013
		₹	₹
I. Sales / Income from Operations	15	80,324,259	67,211,954
II. Other Income	16	554,700	1,078,544
<b>III. Total Revenue (I +II)</b>		<b>80,878,959</b>	<b>68,290,498</b>
<b>IV. Expenses:</b>			
(a) Cost of materials consumed	17	5,738,105	5,505,307
(b) Purchase of Land / Development	18	49,980,626	84,458,285
(c) (Increase)/ Decrease in inventories	19	(48,614,874)	(92,456,285)
(d) Employee benefit expense	20	34,963,329	35,624,543
(e) Other operating expenses	21	7,225,493	6,095,595
(f) Administrative Expense	22	20,308,421	19,957,315
(g) Financial costs	23	1,027,915	719,001
(h) Depreciation and amortization expense	8	2,114,444	1,558,503
<b>V. Total Expenses</b>		<b>72,743,459</b>	<b>61,462,264</b>
"VI. Profit before tax (III - V)		8,135,500	6,828,234
VII. Tax expense:			
(1) Income Tax		2,099,415	3,869,819
(2) Deferred tax		536,286	(5,228,101)
"VIII. Profit for the period (VI - VII)		5,499,799	8,186,516
IX. Earning per equity share: (Refer Note No.25)			
(1) Basic		0.07	0.11
(2) Diluted		0.07	0.11

## Summary of Significant Accounting Policies

The accompanying Notes are an Integral Part of the Financial Statements

## AS PER OUR REPORT OF EVEN DATE

For P.Murali & Co.,  
Firm Registration No: 007257S  
Chartered Accountants

For COUNTRY CONDO'S LIMITED

Y. Rajeev Reddy  
Chairman & Managing Director

Y. Siddharth Reddy  
Joint Managing Director & CEO

P.Murali Mohana Rao  
Partner  
Membership No. 023412

Laxmikanth Jakhotia  
Company Secretary

Place : Hyderabad  
Date : 29-05-2014



**COUNTRY CONDO'S LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2014**

	For the Year ended on 31-03-2014 (₹)	For the Year ended on 31-03-2013 (₹)
<b>A Cash Flow from Operating activities :</b>		
<b>Net Profit after Interest &amp; Depreciation but before Tax</b>	8,135,500	6,828,234
Depreciation	2,114,444	1,558,503
Interest paid	88,241	101,442
Preliminary expenses w/o	116,000	116,000
<b>Operating Profit before working capital changes</b>	<b>10,454,185</b>	<b>8,604,179</b>
<b>Adjustments for :</b>		
Short Term Provisions	(1,080)	328,077
Trade and Other Payables	(9,156,992)	(41,110,316)
Inventories	(48,658,637)	(92,631,704)
Short term Loan and advances	43,298,479	(6,468,788)
Other Current Assets	(15,787,846)	(836,637)
<b>Cash generated from operations</b>	<b>(19,851,891)</b>	<b>(132,115,189)</b>
<b>Net Cash flow from Operating activities (before &amp; after extraordinary items) " A "</b>	<b>(19,851,891)</b>	<b>(132,115,189)</b>
<b>B Net Cash from Investing activities :</b>		
Purchase of fixed assets	(3,628,295)	(2,922,648)
Capital Work in Progress	447,608	-
Long Term Loans and Advances	1,898,177	135,850,745
Other Non Current Assets	116,000	116,000
<b>Net cash flow from Investing activities " B "</b>	<b>(1,166,510)</b>	<b>133,044,097</b>
<b>C Cash Flow from Financing activities</b>		
Interest paid	(88,241)	(101,442)
Long Term Borrowings	(398,455)	963,535
<b>Net Cash flow from Financing activities " C "</b>	<b>(486,696)</b>	<b>862,093</b>
<b>D Net ( Decrease ) / Increase in Cash and Cash Equivalents ( A + B + C )</b>	<b>(21,505,097)</b>	<b>1,791,001</b>
Cash and Cash Equivalents at the beginning	35,789,716	33,998,715
Cash and Cash Equivalents at the end	14,284,619	35,789,716

AS PER OUR REPORT OF EVEN DATE

For P.Murali &amp; Co.,

Firm Registration No: 007257S

Chartered Accountants

P.Murali Mohana Rao

Partner

Membership No. 023412

Place : Hyderabad

Date : 29-05-2014

For and on behalf of the Board

Y. Rajeev Reddy  
Chairman & Managing DirectorY. Siddharth Reddy  
Joint Managing Director & CEOLaxmikanth Jakhotia  
Company Secretary

To,

The Board of Directors

COUNTRY CONDO'S LIMITED

We have examined the attached Cash Flow Statement of M/s.Country Condo's Limited for the period ended 31st March, 2014. The Statement has been prepared by the Company in accordance with the requirement of Clause 32 of listing agreement with Stock Exchange and is based on and in arrangement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 29th May, 2014 to the members of the Company.

For P.Murali & Co.,  
Firm Registration No: 007257S  
Chartered Accountants

Place : Hyderabad

Date : 29-05-2014

P.Murali Mohana Rao  
Partner  
Membership No. 023412



## SIGNIFICANT ACCOUNTING POLICIES

### **About the Company:**

The company's main activity broadly consist of real estate operations and providing hospitality services. The company's real estate operations consist of procurement of land banks across the country, develop them into residential layouts with all amenities including club house and sell them in plots to customers. The company also undertakes allied activities of construction of compound walls etc. in the developed layouts. The company is also planning to undertake construction and sale of Condos. The company also runs a club on Mysore Road in Bangalore and offers various hospitality services to the customers.

### **BASIS OF PREPARATION:**

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

### **USE OF ESTIMATES:**

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

### **(a) Accounting Convention and Revenue Recognition - AS 9:**

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

- a) "Revenue is the gross inflow of cash, receivables or other consideration arising in the course of the ordinary activities of an enterprise from the sale of goods, from the rendering of services, and from the use by others of enterprise resources yielding interest, royalties and dividends. Revenue is measured by the charges made to customers or clients for goods supplied and services rendered to them and by the charges and rewards arising from the use of resources by them. In an agency relationship, the revenue is the amount of commission and not the gross inflow of cash, receivables or other consideration.
- b) Completed service contract method is a method of accounting which recognizes revenue in the statement of profit and loss only when the rendering of services under a contract is completed or substantially completed.
- c) Proportionate completion method is a method of accounting which recognizes revenue in the statement of profit and loss proportionately with degree of completion of services under a contract.

### **(b) Cash Flow Statement: AS-3:**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### **(c) Employee Benefits:**

Employee benefits include provident fund, superannuation fund, gratuity fund and compensated absences. Liability for gratuity to employees determined on the basis of actuarial valuation as on balance sheet date is funded with the Life Insurance Corporation of India and is recognized as an expense in the year incurred.





**(d) Tangible and Intangible Assets:**

**Tangible Fixed Assets:**

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation. The cost of fixed assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs related to the acquisition or construction of the respective assets. Expenses directly attributable to new manufacturing facility during its construction period are capitalized.

**Intangible Assets:**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Profit or Loss on disposal of intangible assets is recognised in the Statement of Profit and Loss.

**(e) Depreciation:**

Depreciation on all fixed assets is provided under Straight Line Method. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates.

**(f) Inventories:**

Construction materials, raw materials, Consumables, Stores and Spares and project / construction work-in-progress are valued at lower of cost and net realizable value.

Cost is determined on weighted average cost method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Development Work-in-progress related to project works is valued at cost and estimated net realizable value whichever is lower, till such time the outcome of the related project is ascertained reliably and at contractual rates thereafter. Cost includes cost of land, cost of materials, cost of borrowings to the extent it relates to specific project and other related project overheads.

**(g) Taxes on Income:**

a) Provision for tax for the year comprises current Income Tax and Deferred Tax and is provided as per the Income Tax Act, 1961.

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

**(h) Provisions:**

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

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

**(i) Earnings per Share:**

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

**(j) Related Party Disclosures :**

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

**COUNTRY CONDO'S LIMITED**  
**NOTES TO BALANCE SHEET**

**NOTE NO. 1 : SHARE CAPITAL**

S. No.	Particulars	As on	As on
		31-03-2014	31-03-2013
		(₹)	(₹)
I	<u>Share Capital</u>		
	(a) Authorised		
	( No. of Shares 350,000,000 Current Year )	350,000,000	-
	( No. of Shares 350,000,000 Previous Year )	-	350,000,000
	(b) Issued, Subscribed & Fully Paid Up		
	( No. of Shares 77,597,300 Current Year )	77,597,300	-
	( No. of Shares 77,597,300 Previous Year )	-	77,597,300
	(c) Par Value per share Re.1/- Each		
	<b>Total Equity Share capital</b>	<b>77,597,300</b>	<b>77,597,300</b>
II	<u>A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:</u>	<b>Number of Shares</b>	
	Equity Shares of Fully paid up :		
	At the Beginning	77,597,300	77,597,300
	Add: Issued during the year	-	-
	At the end	<b>77,597,300</b>	<b>77,597,300</b>
III	<u>Details of Shareholder holding more than 5% shares of the company:</u>	<b>% of Share Holding</b>	
	Equity Shares of Re. 1/- each Held By		
	Mr.Y. Rajeev Reddy - No.of Shares (C.Y) 34077408,		
	(P.Y) 33381748	43.92	43.02

**NOTE NO. 2 : RESERVES AND SURPLUS**

S. No.	Particulars	As on	As on
		31-03-2014	31-03-2013
		(₹)	(₹)
I	<b>RESERVES AND SURPLUS</b>		
	(a) Capital reserve		
	i) As at the commencement of the year	22,982,670	22,982,670
	Add: Additions during the year	-	-
		22,982,670	22,982,670
	(b) Securities Premium Reserve		
	i) As at the commencement of the year	49,935,300	49,935,300
	Add: Additions during the year	-	-
		49,935,300	49,935,300
	(c) Surplus :		
	i) Opening Balance - Profit and Loss Account	18,383,009	10,196,493
	Add: Transfer from Profit & Loss Account	5,499,799	8,186,516
		23,882,808	18,383,009
	<b>Total Reserves and Surplus</b>	<b>96,800,778</b>	<b>91,300,979</b>

## COUNTRY CONDO'S LIMITED



### NOTE NO. 3 : DEFERRED TAX LIABILITY ( NET )

S. No.	Particulars	As on	As on
		31-03-2014	31-03-2013
		(₹)	(₹)
I	Opening Deferred tax Liability	13,959,704	19,187,805
	<b>Add:</b> Deferred Tax Liability for the year (Due to SLM and WDV Difference)	536,286	691,490
	<b>Less:</b> Prior Period Adjustment	-	5,919,591
	<b>Deferred Tax Liability/ ( Asset ) - Net</b>	<b>14,495,990</b>	<b>13,959,704</b>

### NOTE NO. 4 : LONG TERM BORROWINGS

S. No.	Particulars	As on	As on
		31-03-2014	31-03-2013
		(₹)	(₹)
I	(a) Loans and advances from Bank Secured Vehicle Loan - HDFC	565,080	963,535
	<b>Total long term borrowings</b>	<b>565,080</b>	<b>963,535</b>

### NOTE NO. 5 : TRADE PAYABLES

S. No.	Particulars	As on	As on
		31-03-2014	31-03-2013
		(₹)	(₹)
I	(a) Trade Payables	3,708,091	2,731,050
	<b>Total Trade Payables</b>	<b>3,708,091</b>	<b>2,731,050</b>

### NOTE NO. 6 : OTHER CURRENT LIABILITES

S. No.	Particulars	As on	As on
		31-03-2014	31-03-2013
		(₹)	(₹)
I	(a) Advances Received from Customers	373,611,633	382,259,130
	(b) TDS Payable	1,359,963	1,701,076
	(c) Professional Tax Payable	4,950	10,750
	(d) Consultancy Charges Payable	1,643,363	1,513,899
	(e) Commission Payable	1,136,011	415,091
	(f) Luxury Tax Payable	62,994	80,442
	(g) Service Tax Payable	459,787	341,548
	(h) VAT Payable	117,050	108,433
	<b>Total other current liabilities</b>	<b>378,395,751</b>	<b>386,430,369</b>

### NOTE NO. 7 : SHORT TERM PROVISIONS

S. No.	Particulars	As on	As on
		31-03-2014	31-03-2013
		(₹)	(₹)
I	(a) Provisions for employee benefits		
	Salaries Payable	2,166,803	3,174,899
	PF Payable	119,068	105,835
	ESIC Payable	32,898	35,664
	(b) Others		
	Provision for Income tax	2,099,415	1,467,878
	Audit Fee Payable	101,124	108,122
	Rent Payable	143,428	142,525
	Provision for Expenses	563,995	192,888
	<b>Total short term provisions</b>	<b>5,226,731</b>	<b>5,227,811</b>



**NOTE NO. 8 TANGIBLE ASSETS  
COUNTRY CONDO'S LIMITED  
Depreciation Schedule**

Particulars	Gross Block as on 01.04.2013	Additions during the year	Deletions during the year	Gross Block as at 31.03.2014	Depreciation upto 31.03.2013	Depreciation during the year	Deletions	Total Depreciation 31.03.2014	Net Block as at 31.03.2014	Net Block as at 31.03.2013
Land & Site Development	19,148,091	-	-	19,148,091	-	-	-	-	19,148,091	19,148,091
Buildings	24,013,816	447,608	-	24,461,424	1,470,446	805,747	-	2,276,193	22,185,231	22,543,370
Plant & Machinery	110,943,715	-	-	110,943,715	50,233,700	274,158	-	50,507,858	60,435,857	60,710,015
Office Equipment	3,929,014	156,055	-	4,085,069	2,099,844	48,909	-	2,148,753	1,936,316	1,829,170
Furniture & Fixtures	2,484,433	115,709	-	2,600,142	701,563	122,026	-	823,589	1,776,553	1,782,870
Vehicles	2,418,636	2,756,388	-	5,175,024	231,781	652,184	-	883,965	4,291,059	2,186,855
Computers	1,218,874	152,535	-	1,371,409	451,247	211,420	-	662,667	708,742	767,627
<b>Total</b>	<b>164,156,579</b>	<b>3,628,295</b>	<b>-</b>	<b>167,784,874</b>	<b>55,188,581</b>	<b>2,114,444</b>	<b>-</b>	<b>57,303,025</b>	<b>110,481,849</b>	<b>108,967,998</b>
<b>Previous Year</b>	161,233,931	2,922,648	-	164,156,579	53,630,078	1,558,503	-	55,188,581	108,967,998	107,603,853
Capital Work-in-Progress	447,608	-	447,608	-	-	-	-	-	-	447,608

**NOTE NO. 9 : LONG TERM LOANS AND ADVANCES**

S. No.	Particulars	As on	As on
		31-03-2014	31-03-2013
		(₹)	(₹)
I	Loans and Advances to Related Parties Unsecured, Considered Good		
	(a) Country Club (India) Limited	11,415,225	13,313,402
	(b) Zen Garden Hotels Pvt Ltd	1,170,175	1,170,175
	<b>Total long term loans &amp; advances</b>	<b>12,585,400</b>	<b>14,483,577</b>

**NOTE NO.10 : OTHER NON CURRENT ASSETS**

S. No.	Particulars	As on	As on
		31-03-2014	31-03-2013
		(₹)	(₹)
I	(a) Unamortised Expenditure	116,000	232,000
	<b>Total Other non current assets</b>	<b>116,000</b>	<b>232,000</b>

**NOTE NO. 11 : INVENTORIES**

S. No.	Particulars	As on	As on
		31-03-2014	31-03-2013
		(₹)	(₹)
I	(a) Land and Land Development Expenditure	380,983,885	332,369,011
	(b) Consumables & Provisions	574,411	530,648
	<b>Total Inventories</b>	<b>381,558,296</b>	<b>332,899,659</b>

**NOTE NO. 12 : CASH AND BANK BALANCES**

S. No.	Particulars	As on	As on
		31-03-2014	31-03-2013
		(₹)	(₹)
I	Cash and cash equivalents :		
	(a) Balances with banks :		
	(i) On Current Accounts	13,557,335	34,393,280
	(b) Cash on hand	727,284	1,396,436
	<b>Total Cash and Cash Equivalents</b>	<b>14,284,619</b>	<b>35,789,716</b>

**NOTE NO. 13 : SHORT TERM LOANS AND ADVANCES**

S. No.	Particulars	As on	As on
		31-03-2014	31-03-2013
		(₹)	(₹)
I	Security Deposit		
	Secured, Considered Good	2,104,036	2,127,952
	Unsecured, Considered Good	1,364,169	1,073,189
		3,468,205	3,201,141
II	Loans and Advances to Related Parties		
	Unsecured, Considered Good		
	Apurva Holiday Homes Pvt.Ltd.	200,543	174,737
	New Era Heights Pvt Limited	114,365	88,559
	Spurthi Hotels Private Limited	132,075	106,269
	Vyshnavi Holiday Inn Pvt Ltd	163,802	137,996
	Amrutha Estates Pvt Ltd.	10,000	43,049
Amrutha Investments Ltd.	10,000	10,000	
		630,785	560,610
III	Advances Recoverable in Cash or in kind		
	Unsecured, Considered Good		
	Advance for Land and Land Development	27,633,953	70,096,987
	Advances to Suppliers	497,523	52,366
	Advance for Site Registrations	1,707,635	3,612,156
Advances to Employees	656,915	370,235	
		30,496,026	74,131,744
<b>Total short term loans &amp; advances</b>		<b>34,595,016</b>	<b>77,893,495</b>

**NOTE NO.14 : OTHER CURRENT ASSETS**

S. No.	Particulars	As on	As on
		31-03-2014	31-03-2013
		(₹)	(₹)
I	(a) TDS/TCS Receivables	59,545	66,056
	(b) Service Tax Receivables	-	29,608
	(c) Advance Taxes / Excess paid	1,277,000	682,307
	(d) Prepaid Expenses	57,864	54,652
	(e) Chit Receivables	21,774,132	6,664,072
<b>Total Other current assets</b>		<b>23,168,541</b>	<b>7,496,695</b>

## COUNTRY CONDO'S LIMITED

## NOTES TO STATEMENT OF PROFIT &amp; LOSS

## NOTE NO. 15 : REVENUE FROM OPERATIONS

S. No.	Particulars	As on	As on
		31-03-2014	31-03-2013
		(₹)	(₹)
I	Income from operations		
	(a) Real Estate Income	58,838,061	45,603,000
	(b) Hospitality Income	21,486,198	21,608,954
	<b>Total Revenue from Operations</b>	<b>80,324,259</b>	<b>67,211,954</b>

## NOTE NO. 16 : OTHER INCOME

S. No.	Particulars	As on	As on
		31-03-2014	31-03-2013
		(₹)	(₹)
I	(a) Lease Rents	300,000	300,000
	(b) Interest on FD's	169,600	216,644
	(c) Others	85,100	561,900
	<b>Total Revenue from other Income</b>	<b>554,700</b>	<b>1,078,544</b>

## NOTE NO. 17 : COST OF MATERIALS CONSUMED

S. No.	Particulars	As on	As on
		31-03-2014	31-03-2013
		(₹)	(₹)
I	Opening Raw Material	530,648	355,229
	Add: Purchases during the year	5,781,868	5,680,726
		6,312,516	6,035,955
	Less: Closing Raw Material	574,411	530,648
	<b>Total Cost Of Material Consumed</b>	<b>5,738,105</b>	<b>5,505,307</b>

## NOTE NO. 18 : PURCHASE OF LAND /LAND DEVELOPMENT

S. No.	Particulars	As on	As on
		31-03-2014	31-03-2013
		(₹)	(₹)
I	Operating Expenditure		
	(a) Purchase of Land	35,108,639	30,764,701
	(b) Land Development Charges	14,871,987	53,693,584
	<b>Total Trade Expenses</b>	<b>49,980,626</b>	<b>84,458,285</b>

## NOTE NO. 19 : (INCREASE) / DECREASE IN INVENTORIES

S. No.	Particulars	As on	As on
		31-03-2014	31-03-2013
		(₹)	(₹)
I	<b>Work in Progress</b>		
	Work in progress at the beginning of the year	332,369,011	239,912,726
	Less : Work in progress at the end of the year	380,983,885	332,369,011
	<b>(Increase) / Decrease in Inventories</b>	<b>(48,614,874)</b>	<b>(92,456,285)</b>

**NOTE NO. 20 : EMPLOYEE BENEFIT EXPENSES**

S. No.	Particulars	As on	As on
		31-03-2014	31-03-2013
		(₹)	(₹)
I	(a) Salaries & Wages	32,347,889	33,317,678
	(b) Contribution to Provident Fund & ESIC	1,059,887	978,677
	(c) Staff Welfare Expenses	1,555,553	1,328,188
	<b>Total Employee Benefit Expenses</b>	<b>34,963,329</b>	<b>35,624,543</b>

**NOTE NO. 21 : OTHER OPERATING EXPENSES**

S. No.	Particulars	As on	As on
		31-03-2014	31-03-2013
		(₹)	(₹)
I	(a) Power & Fuel	2,069,852	1,929,278
	(b) Upkeep & Service Cost	1,452,798	1,111,917
	(c) Rent	3,406,430	2,801,250
	(d) General Expenditure	184,053	140,790
	(e) Payment to Auditors:		
	(i) As Auditor	78,652	78,652
	(ii) For Taxation matters	33,708	33,708
	<b>Total Other Operating Expenses</b>	<b>7,225,493</b>	<b>6,095,595</b>

**NOTE NO. 22 : ADMINSTRATIVE EXPENSES**

S. No.	Particulars	As on	As on
		31-03-2014	31-03-2013
		(₹)	(₹)
I	(a) Telephone, Postage and Others	1,991,887	1,756,102
	(b) Business Promotion Expenses	399,053	291,655
	(c) Travelling & Conveyance	5,242,598	4,185,497
	(d) Office Maintenance	3,679,019	3,700,851
	(e) Printing & Stationery Expenses	1,046,249	1,088,096
	(f) Rates & Taxes (excluding Income Tax)	961,103	689,185
	(g) Consultancy Charges	4,252,667	6,081,046
	(h) Commission Charges	2,281,220	1,828,067
	(i) Advertisement Charges	123,624	188,653
	(j) Miscellaneous Expenses W/o	116,000	116,000
	(k) Interest on late payment of Taxes	215,001	32,163
	<b>Total Administrative Expenses</b>	<b>20,308,421</b>	<b>19,957,315</b>

**NOTE NO. 23 : FINANCE COST**

S. No.	Particulars	As on	As on
		31-03-2014	31-03-2013
		(₹)	(₹)
I	(a) Bank Charges	939,674	617,559
	(b) Interest on Vehicle Finance	88,241	82,557
	(c) Interest - others	-	18,885
	<b>Total Finance Cost</b>	<b>1,027,915</b>	<b>719,001</b>



**NOTE NO.24**

**Related Party Transactions:**

Particulars of related party transactions:

Name of the Related Party	Nature of the Related Party	Nature of Transaction	Amount (₹)
Country Club (India) Limited	Common Directors interested	Lease Rent received Advance Received/(Receivable)	300,000 (11,415,225)

**NOTE NO.25**

**Earnings per Share:**

Particulars	2013-14	2012-13
Net profit after tax (₹)	5,499,799	8,186,516
Weighted Average Numbers of shares	77,597,300	77,597,300
Basic and Diluted EPS (₹)	0.07	0.11

26. 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 Hospitality Services. Closing WIP is ₹.380,983,885 and Closing Stock of Consumables is ₹.574,411 for current year (Previous year Closing WIP is ₹.332,369,011 and Closing Stock of Consumables is ₹.530,648)

27. 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.

**28. Segment Reporting:**

**Business Segments:**

The Company is operating in two segments-Real Estates and Hospitality services

Profit and Loss Statements for the year ended 31st March, 2014	Real Estate (₹)	Hospitality Services (₹)	Total (₹)
Revenues	58,838,061	21,486,198	80,324,259
Unallocable Revenue			554,700
Direct Expenses	55,014,670	17,728,789	72,743,459
Gross Income	3,823,391	3,757,409	8,135,500
Net Profit Before Taxes			8,135,500
Tax Expenses			2,635,701
Net Profit After Taxes			5,499,799

**29. Contingent Liability:**

- a) During the financial year - 2011-12, the company has given corporate guarantee to its Associated enterprise i.e. M/s Country Club (India) Limited for availing the Term Loan from Three Banks namely Vijaya Bank, Bank of India and Union Bank of India for which the company has given its Assets as collateral security. The details of the Property given as Collateral securities are as follows.
  - (i) Company's Immovable property situated at No.20/1-524, Sy No: 20/1, Geddannahalli, Attibele Hobli, Anekal Taluk, Bangalore District Pin-562107.
- b) During the financial year - 2011-12, the company has given corporate guarantee to its Associated enterprise i.e. M/s Country club (India) Limited for availing the Secured Business Loan from M/s.Karvy Financial Services. For which the company has given its Assets as collateral security. The details of the Property given as Collateral securities are as follows.
  - (i) Property Situated at Sy No:101/3,102/3,103/1,103/2 & 103/17, Kumbalgodu, Kengeri Hobli beside Mcdowell Unit near Mysore Road under BBMP, Bangalore.

## COUNTRY CONDO'S LIMITED



30. During the financial year 2013-14, both Country Club (India) Limited and Amrutha Estates & Hospitality Private Limited got amalgamated through scheme of Amalgamation approved by Hon`ble High Court of Andhra Pradesh vide its order dated 01-04-2013, petitions C.P No.s 103 & 104 of 2012.

As a result of the above, during the year company has set off a loan amount due to Country Club (India) Limited amounting to ₹.350,147,572/- (Previous year amounting to ₹.354,022,202/- shown under Long term Borrowings) against the loan receivable from Amrutha Estate & Hospitality Private Ltd amounting to ₹.361,562,797/- (Previous year amounting to ₹.367,335,604/- shown under Long Term Loans and Advances) and showing the closing balance of loan receivable from Country Club (India) Ltd amounting to ₹.11,415,225/- (Previous year amounting to ₹.13,313,402/-) as shown in the balance sheet - Note No.9.

31. Closing Balances of Debtors / Creditors / Loans & Advances are subject to confirmation from the parties.
32. Previous year's numbers have been regrouped, rearranged, recasted, wherever necessary to conform to Current Year Classification.
33. The numbers have been rounded off to the nearest rupee.

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

LAXMIKANTH JAKHOTIA  
COMPANY SECRETARY

PLACE : HYDERABAD,  
DATE : 29-05-2014



**SECRETARIAL AUDIT REPORT**  
**For the Financial Year Ended 31st March, 2014**

To,  
The Members,  
**M/s. Country Condo's Limited,**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Country Condo's Limited** ("the company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2014 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the registers, records and documents of the Company for the period commencing from 1st April, 2013 to 31st March, 2014 for compliances of provisions of:

1. The Companies Act, 1956 (the Act), applicable sections of the Companies Act, 2013 effective from 12th September, 2013 ("New Act") and the Rules made thereunder;
2. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
3. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
4. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under; and
5. The Listing Agreements entered into with BSE Limited and National Stock Exchange of India Limited.

Based on my examination and verification of the registers, records and documents produced to us and according to the information and explanations given to me by the Company, I report that the Company has, in our opinion, complied with the provisions of the Act/ New Act and the Rules made thereunder and with the Memorandum and Articles of Association of the Company with regard to:

- (a) Maintenance of various statutory registers and documents and making necessary entries therein;
- (b) Closure of the Register of Members;
- (c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and Central Government;
- (d) Service of documents by the Company on its Members and the Registrar of Companies;
- (e) Notice of Meetings of the Board and Committees thereof;
- (f) Minutes of the meetings of the Board and Committees thereof including passing of resolutions by circulation;
- (g) Notice convening the 26th Annual General Meeting held on 30th September, 2013;
- (h) Conducting of Postal Ballot and its entire process till declaration of Results on 1st February, 2014;
- (i) Minutes of General Meetings including Postal Ballot Meeting;
- (j) Approvals of the Members, the Board of Directors, the Committees of Directors and government authorities, wherever required;
- (k) Constitution of the Board of Directors / Committee(s) of Directors and appointment, retirement and re-appointment of Directors including the Managing Director and Executive Directors;
- (l) Payment of remuneration to the Directors including the Managing Director and Executive Directors;
- (m) Appointment and remuneration of Statutory Auditors;

## COUNTRY CONDO'S LIMITED



- (n) Transfer and transmission of the Company's shares, issue and allotment of shares and issue and delivery of certificate(s) of shares;
- (o) Creation, Modification and Satisfaction of Charges, if any, registered with the Registrar of Companies;
- (p) Form of balance sheet as prescribed under Part I of Schedule VI to the Act and requirements as to Profit & Loss Account as per Part II of the said Schedule;
- (q) Contracts, common seal, registered office and publication of name of the Company; and
- (r) Generally, all other applicable provisions of the Act /the New Act and the Rules made thereunder.

### I further report that:

- (a) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings / debentures holdings and directorships in other companies and interest in other entities;
- (b) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Share Dealing Code and Code of Conduct of the Company;
- (c) The Company has obtained all necessary approvals under the various provisions of the Act/ New Act;
- (d) There was no prosecution initiated against or show cause notice received by the Company and no fines or penalties were imposed on the Company during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against the Company, its Directors and Officers.

We further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed under that Act by the depositories with regard to dematerialisation / rematerialisation of securities and reconciliation of records of dematerialised securities with the securities issued by the Company.

### We further report that:

- (a) The Company has complied with the requirements under the Listing Agreements entered into with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited;
- (b) The Company has complied with the provisions of the Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
- (c) The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations;

Date: 13th August, 2014  
Place: Hyderabad

**GOPAL DHANAJI**  
(Practicing Company Secretary)  
C.P. No. 8415  
Membership No. F7676



**27th Annual General Meeting  
Country Condo's Limited  
CIN: L63040TG1987PLC007811  
# 8-2-703, Mahogany Complex, Ground Floor, Amrutha Valley,  
Road No.12, Banjara Hills, Hyderabad - 500 034**

**Form No. MGT-11**

**PROXY FORM**

**[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

Name of the member(s): Registered address:		E-mail Id: Folio No/ Client Id & DP Id:	
---	--	---	--

I/We, being the Member/Members of \_\_\_\_\_ Shares of Country Condo's Limited, hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on Tuesday, 30th September, 2014 at 12:00 noon. at Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad - 500 003 and at any adjournment thereof in respect of such resolutions as are indicated below:

**\* I wish my above Proxy to vote in the manner as indicated in the box below:**

Res. No	DESCRIPTION	FOR	AGAINST
1	Adoption of Annual Accounts and Reports thereon for the financial year ended 31st March, 2014		
2	Re-appointment of Sri V K Ramudu (DIN: 02712577), who retires by rotation and being eligible offers himself for re-appointment		
3	Appointment of M/s. P. Murali & Co., Chartered Accountants, as Statutory Auditors of the Company and to fix their remuneration for the financial year ending 31st March, 2015		
4.	To appoint Smt. Y. Manjula Reddy (DIN:00115485) as Director		
5	To Re-appoint Sri Y. Rajeev Reddy (DIN: 00115430) as Non-Executive Chairman		
6	To Re-appoint Sri Y. Siddharth Reddy (DIN: 00815456) as Non-Executive Vice-Chairman & Director		
7	To Re-appoint Sri Y. Varun Reddy (DIN: 01905757) as Non-Executive Vice-Chairman & Director		
8	To Re-appoint Sri D. Krishna Kumar Raju (DIN: 00115553) as Vice-Chairman & Chief Executive Officer of the Company		
9	To Appoint Sri P.V.V Prasad (DIN: 00094586) as an Independent Director		
10	To Appoint Sri G. Venkateshwar Rao (DIN: 02712599) as an Independent Director		
11	To Appoint Sri S. Bal Reddy (DIN: 02712623) as an Independent Director		
12	To Appoint Sri A. VSB Laxmipathi Rao (DIN: 02733596) as an Independent Director		
13	To approve the payment of remuneration to Executive Directors		
14	To approve the payment of remuneration to Non-Executive Independent Directors		
15	To regularize the Contract entered with M/s. Country Club (India) Limited		
16	Adoption of new Articles of Association in conformity with Companies Act, 2013		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

\_\_\_\_\_  
Signature of the Shareholder

Affix a  
15 Paise  
Revenue Stamp  
and Sign Across

\_\_\_\_\_  
Signature of first Proxy holder

\_\_\_\_\_  
Signature of Second Proxy holder

\_\_\_\_\_  
Signature of third Proxy holder

**Notes:**

- (1) **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
- (2) **A Proxy need not be a member of the Company.**
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.



**27th Annual General Meeting  
Country Condo's Limited  
CIN: L63040TG1987PLC007811**

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

**ATTENDANCE SLIP**

**Date** 30th September, 2014      **Venue** Crown Villa Gardens, 150, Brigadier Sayeed Road,  
Opp. Gymkhana Grounds, Secunderabad - 500 003      **Time** 12:00  
Noon

Name of the Shareholder	Folio no.	DPID and Client ID No.*	No. of Shares

I certify that I am a registered shareholder of the Company, hold above-mentioned shares in the Company, and hereby record my present at the 27th Annual General Meeting of the Company held on 30th September, 2014 at Crown Villa Gardens, 150, Brigadier Sayeed Road, Opp. Gymkhana Grounds, Secunderabad - 500 003.

Name of the Shareholder :

Name of the Proxy :

Signature of member/proxy :

Note:

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

PRINTED MATTER

BOOK POST

If undelivered please return to:

**COUNTRY CONDO'S LIMITED**  
# 8-20703, Mahogany Complex,  
Ground Floor, Amrutha Valley,  
Road No.12, Banjara Hills,  
Hyderabad - 500 034.