



# COUNTRY CONDO'S LIMITED

(Formerly Known as Neocure Therapeutics Limited)

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

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IN THE HIGH COURT OF JUDICATURE OF ANDHRA PRADESH:

AT HYDERABAD

(ORIGINAL JURISDICTION)

COMPANY APPLICATION No. 118 OF 2010

In the matter of Companies Act, 1956 (1 of 1956)

and

In the matter of Sections 391 and 394 of the said Act

and

In the matter of M/s. Country Condo's Limited

And

In the matter of M/s. Country Club Bangalore Limited

M/s. Country Condo's Limited,  
a company incorporated under the  
Companies Act, 1956 having its  
Registered Office at 8-2-703, Mahogany Complex,  
Ground floor, Amrutha Valley, Road No.12,  
Banjara Hills, Hyderabad - 500034  
Represented by its Jt. Managing Director &  
Chief Executive Officer Sri Y. Siddharth Reddy.

... Applicant/  
(Transferee Company)

#### **NOTICE CONVENING MEETING**

To,

The Members of

M/s. Country Condo's Limited,

Take notice that by an order made on the 11<sup>th</sup> February, 2010 the Hon'ble High Court of Andhra Pradesh at Hyderabad has directed that meeting of the shareholders of the above applicant / transferee company be held at Sri Agrasen Bhavan, 149, Sapper Line, Brigade Road, Secunderabad-500 003 on Saturday the 20th day of March, 2010 at 11.30 A. M. for the purpose of considering and, if thought fit, approving, with or without modification(s) the proposed scheme of amalgamation of M/s. Country Club Bangalore Limited with M/s. Country Condo's Limited

Take further notice that in pursuance of the said order, the meeting of the shareholders of the above transferee company will be held at Sri Agrasen Bhavan, 149, Sapper Line, Brigade Road, Secunderabad-500 003 on Saturday the 20th day of March, 2010 at 11.30 A.M. which time and place the said shareholders are requested to attend.

Take further notice that you may attend and vote at the said meeting in person or by proxy, provided that the proxy in the prescribed form duly signed by you or your authorized representative is deposited at the registered office of the transferee company at 8-2-703, Mahogany Complex, Ground Floor, Amrutha Valley, Road No. 12, Banjara Hills, Hyderabad – 500 034 not later than 48 hours before the meeting.

The Hon'ble High Court of Andhra Pradesh, Hyderabad has appointed Sri. Tummalapudi Sridhar, Advocate to be the Chairman of the said meeting.

A copy of the statement under section 393 of the Companies Act, 1956 the Scheme of amalgamation and a form of proxy are enclosed.

Sd/-  
Sri Tummalapudi Sridhar  
Advocate  
Chairman appointed for the meeting  
Address: Easwara Nilayam, 16-2-719  
Andhra Colony, Malakpet  
Hyderabad – 500 036

Place : Hyderabad  
Date : 19.02.2010

IN THE HIGH COURT OF JUDICATURE OF ANDHRA PRADESH:

AT HYDERABAD

(ORIGINAL JURISDICTION)

COMPANY APPLICATION No. 118 OF 2010

In the matter of Companies Act, 1956 (1 of 1956)

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M/s. Country Condo's Limited,  
a company incorporated under the  
Companies Act, 1956 having its  
Registered Office at 8-2-703, Mahogany  
Complex, Ground floor, Amrutha Valley,  
Road No.12, Banjara Hills,  
Hyderabad - 500034  
Represented by its Jt. Managing Director &  
Chief Executive Officer Sri Y. Siddharth Reddy.

... Applicant/  
(Transferee Company)

**STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956**

1.0 The accompanying notice has been sent for convening meeting of the shareholders of M/s. Country Condo's Limited for the purpose of considering and, if thought fit, approving with or without modifications, the proposed scheme of amalgamation of M/s. Country Club Bangalore Limited with M/s. Country Condo's Limited.

2.0 The circumstances which justify and / or necessitate the said scheme of amalgamation, inter alia, as follows:-

2.1 That the transferee company is engaged in the business of acquiring and constructing and developing in India and abroad of hotels, refreshment contractors and caterers, restaurant keepers, etc.,

2.2 That the transferor company is also engaged in similar activities.

2.3 That in order to ensure and avail better business opportunities and focus on accelerated growth of real Estate and hospitality business in current Globalised scenario in the real estate and hospitality segment.

2.4 That it will ensure the administrative control and also impart the better financial leverage for both the Companies.

2.5 That it would give a financial strength to the transferee company to expand its business to take up new projects of setting up of hotels, restaurants etc.,

2.6 That therefore it has been decided to amalgamate the transferor company with the transferee company which will be not only beneficial to its shareholders but also to the employees and its creditors.

3.0 The details of financial position of the "CCL" / Transferee Company as per their audited Balance Sheet as at 31<sup>st</sup> March, 2009 are as under:-

3.1 "CCL" / Transferee Company:

		(In Rupees)
<b>I. SOURCES OF FUNDS :</b>		
a)	Shareholder's funds :	
	Share capital	16,199,100
	Reserves and surplus	37,113,500
b)	Loan funds :	
	Secured loans	...
	Unsecured loans	17,585,000
c)	Deferred tax liability	18,324,322
<b>Total:</b>		89,221,922
<b>II. APPLICATION OF FUNDS :</b>		
a)	Fixed assets :	
	Gross block	109,290,951
	Less : Depreciation	52,381,009
	Net block	56,909,942
Current assets loans and advances :		
a.	Closing work-in-progress	88,241,304
b.	Loans & Advances	162,609,314
c.	Cash and bank balances	6,717,740

Less: Current liabilities & provisions	227,071,987
Net current assets	30,496,371
Profit & Loss Account	1,815,609
<b>Total:</b>	<u><u>89,221,922</u></u>

4.0 The details of financial position of the “CCBL” / Transferor Company as per their audited Balance Sheet as at 31<sup>st</sup> March, 2009 are as under:-

4.1 “CCBL” / Transferor Company:

(In Rupees)

**I. SOURCES OF FUNDS :**

a) Shareholders' funds	
Share capital	50,000,000
Share Application Money	850,000
Reserves and surplus	4,295,765
Advances	12,639,824
Lease Deposit	6,112,078
Current Liabilities & Provisions	1,621,509
<b>Total:</b>	<u><u>75,519,176</u></u>

**II. APPLICATION OF FUNDS:**

a) Fixed assets	
Land & Land Development	18,923,296
Current assets, loans and advances	
Loans & Advances	53,498,200
Cash & Bank Balance	86,732
Miscellaneous expenditure (to the extent not written off or adjusted)	3,010,948
<b>Total:</b>	<u><u>75,519,176</u></u>

5.0 A copy of the Scheme of amalgamation setting out the terms and conditions of the scheme of the transferor and the transferee company as approved by the Board of Directors of the respective companies in their respective Board Meetings is enclosed herewith.

6.0 Both the Unlisted Transferor Company and the Listed Transferee Company engaged the services of M/s. Sobhagya Capital Options Limited, A SEBI Registered Independent Merchant

Banker, to issue fairness opinion. The said Merchant Banker have given their fairness opinion vide their report dated 17<sup>th</sup> November, 2009. In the fairness opinion issued by M/s. Sobhagya Capital Options Limited it is, inter alia, observed that the methodologies used and corresponding share valuation to arrive at share swap ratio suggested by M/s. P. Murali & Co., Chartered Accountants is fair and the valuation carried out by the Valuer and the swap ratio of 5:29 i.e., for every 5 shares of CCBL 29 shares of CCL recommended is fair for the appointed date 1<sup>st</sup> October, 2009. The aforesaid fairness opinion is open for inspection at the Registered Office of the Applicant Company.

7.0 In terms of Clause 24 of the Listing Agreement, the Applicant Company has received no objection letters from the M/s. Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) where its Shares are listed, vide letters dated 22<sup>nd</sup> January, 2010 and 28<sup>th</sup> January, 2010, respectively, for filing the Scheme with the High Court.

8.0 No investigation proceedings have been instituted and/or pending under sections 235 to 251 of the Companies Act, 1956 against the Applicant Company.

9.0 The capital structure (expected) of the transferee company after the implementation of the Scheme will be as follows:-

<b>Particulars</b>	<b>Amount in Rupees</b>
<b>Authorised:</b> 35,00,00,000 Equity Shares of Re.1/- each	35,00,00,000
<b>Total</b>	<b>35,00,00,000</b>
<b>Issued, Subscribed and Paid-up (Expected):</b> 7,75,97,300 Equity Shares of Re.1/- each, fully Paid-up	7,75,97,300
<b>Total</b>	<b>7,75,97,300</b>

9.1 The Scheme, inter alia, envisages issuance of equity shares of the transferee company as per clause 9 of the Scheme, with out the need to pass a separate resolution under section 81(1A) of the Companies Act, 1956. The resolution which approves the scheme shall also be deemed to approve, inter alia, the above action with out the need to pass separate resolution.

10.0 The shareholding pattern of pre and post amalgamation of the transferee company is given below :-

CATEGORY	CATEGORY OF SHAREHOLDER	PRE AMALGAMATION		POST AMALGAMATION	
		TOTAL NO. OF SHARES	% OF SHARES	TOTAL NO. OF SHARES	% OF SHARES
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian				
a.	Individuals/Hindu Undivided Family	6420912	13.21	35420912	45.65
b.	Central Government/State Government(s)	0	0	0	0
c.	Bodies Corporate	0	0	0	0
d.	Financial Institutions/Banks	0	0	0	0
	Any Other (Specify) :-				
e.	Mutual Funds	0	0	0	0
f.	Trusts	0	0	0	0
	Sub Total (A)(1)	6420912	13.21	35420912	45.65
(2)	Foreign				
a.	Individuals (Non Resident Individuals/ Foreign Individuals)	0	0	0	0
b.	Bodies Corporate	0	0	0	0
c.	Institutions	0	0	0	0
	Others :-				
d.	Overseas Corporate Bodies	0	0	0	0
	Sub Total (A)(2)	0	0	0	0
	<b>Total Shareholding of Promoter and Promoter Group</b>				
	<b>(A)=(A)(1)+(A)(2)</b>	<b>6420912</b>	<b>13.21</b>	<b>35420912</b>	<b>45.65</b>
(B)	Public Shareholding				
(1)	Institutions				
a.	Mutual Funds/UTI	0	0	0	0
b.	Financial Institutions/Banks	0	0	0	0
c.	Central Government/State Government(s)	0	0	0	0
d.	Venture Capital Funds	0	0	0	0
e.	Insurance Companies	0	0	0	0
f.	Foreign Institutional Investors	0	0	0	0



CATEGORY		PRE AMALGAMATION		POST AMALGAMATION	
CODE	CATEGORY OF SHAREHOLDER	TOTAL NO. OF SHARES	% OF SHARES	TOTAL NO. OF SHARES	% OF SHARES
g.	Foreign Venture Capital Investors	0	0	0	0
h.	Others :- Foreign Companies	0	0	0	0
	Sub Total (B)(1)	0	0	0	0
(2)	Non-Institutions				
a.	Bodies Corporate	4650678	9.57	4650678	5.99
b.	Individuals				
	i. Individual shareholders holding nominal share capital upto Rs.1 lakh	13455062	27.69	13455062	17.34
	ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh	22486579	46.27	22486579	28.98
	Others :-				
c.	Non Resident Individuals	1455799	3.00	1455799	1.88
d.	Overseas Corporate Bodies	0	0	0	0.00
e.	Trusts	17700	0.03	17700	0.02
f.	Employees	0	0	0	0.00
g.	Clearing Members	110570	0.23	110570	0.14
h.	Foreign Nationals	0	0	0	0.00
	Sub Total (B)(2)	42176388	86.79	42176388	54.35
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>42176388</b>	<b>86.79</b>	<b>42176388</b>	<b>54.35</b>
	Total (A)+(B)	48597300	100.00	77597300	100.00
(C)	Shares held by Custodians and against Depository Receipts have been issued	0	0	0	0.00
	<b>Grand Total (A)+(B)+(C)</b>	<b>48597300</b>	<b>100</b>	<b>77597300</b>	<b>100.00</b>

11.0 The shares held by the Directors of the transferor and transferee companies as on date are set out below:-

<b>Sl. No.</b>	<b>Name of the Director</b>	<b>Shares held in CCL/Transferee Company</b>	<b>Shares held in "CCBL" / Transferor Company</b>
1.	Y. Rajeev Reddy	977565	4990000
2.	D. Krishna Kumar Raju	2914809	1000
3.	Y. Siddharth Reddy	971520	-
4.	Y. Varun Reddy	1073181	-
5.	P. Venkata Vara Prasad	3903	-
6.	G. Venkateshwar Rao	-	-
7.	S. Bal Reddy	-	-
8.	A. VSB Laxmipathi Rao	-	-
9.	V. K. Ramudu	-	-
10.	Y. Manjula Reddy	-	1500

11.1 That none of the Directors of the transferee company have any material interest in the said scheme except as shareholders in general the extent of which will appear from the Register of the Directors' Shareholding maintained by the transferor company and the transferee company. Particulars of the interest of the Directors of transferor & transferee company are available for inspection at the registered office of the transferee company.

12.0 An Equity Shareholder entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of him, and such proxy need not be member of the transferee company. The instrument appointing the proxy should however be deposited at the registered office of the transferee company not later than 48 hours prior to the commencement of the respective meeting.

12.1 Corporate members intending to send their authorised representative to attend the meeting are requested to lodge a certified true copy of the board resolution of such body corporate not later than 48 hours before commencement of the respective meeting authorizing such person to attend and vote on its behalf at such meeting.

12.2 This statement may be treated as an Explanatory Statement under Section 173 and also under section 393 of the Companies Act, 1956.

13.0 Copies of the following documents are open for inspection at the registered office of the transferee company between 11.00 A.M. to 1.00 P. M. on any working day.

- (a) Memorandum and Articles of Association of the transferee company.
- (b) Annual Reports and Accounts of the transferee company for the year ended 31<sup>st</sup> March, 2009.

- (c) Scheme of amalgamation of the transferor company with the transferee company.
- (d) Registers of Directors and Director's Shareholding of the transferee company.
- (e) Copy of the order of the Hon'ble High Court of Andhra Pradesh, Hyderabad dated 11<sup>th</sup> February, 2010.
- (f) Copy of the fairness opinion dated 17<sup>th</sup> November, 2009 issued by M/s. Sobhagya Capital Options Limited on the valuation of the shares done by the Valuer, together with the Valuation of Shares and SWAP Certificate issued by M/s. P. Murali & Co., Chartered Accountants dated 1<sup>st</sup> October, 2009.
- (g) Copy of the No objection letters received from the M/s. Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) where its Shares are listed, vide letters dated 22<sup>nd</sup> January, 2010 and 28<sup>th</sup> January, 2010, respectively;

Sd/-  
Sri Tummalapudi Sridhar  
Advocate  
Chairman appointed for the meeting  
Address: Easwara Nilayam, 16-2-719  
Andhra Colony, Malakpet  
Hyderabad – 500 036

Place : Hyderabad  
Date : 19.02.2010

**SCHEME OF AMALGAMATION**  
**OF**  
**M/S. COUNTRY CLUB BANGALORE LIMITED**  
**WITH**  
**M/S. COUNTRY CONDO'S LIMITED**  
**PART- I**

**PREAMBLE:**

Whereas M/s Country Club Bangalore Limited, (Transferor Company) is a Company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at 6-3-1219, Begum pet, Hyderabad- 500016.

Whereas M/s Country Club Bangalore Limited is engaged in the business of Hotels, Motels, Resorts, etc.,

Whereas M/s Country Condo's Limited, ( Transferee Company) is a Company incorporated under the Companies Act, 1956 and having its Registered Office at 8-2-703, Mahogany Complex, Ground Floor, Amrutha Valley, Road No.12, Banjara Hills, Hyderabad – 500 034.

Whereas M/s Country Condo's Limited is engaged in the business of Real Estate and Construction Activities.

Whereas on the basis of extensive discussions, meetings and consultations, between the members of the Board of Directors of the both the companies, legal and other professional consultants it has been decided to merge the business of both the companies in the larger interest of the shareholders, creditors and employees etc.

**THE BENEFITS TO BE AVAILED FROM THE PROPOSED SCHEME OF AMALGAMATION ARE:-**

1. To ensure availing better business opportunities and focus on accelerated growth of the real estate and hospitality business in the current globalised scenario in the real estate and hospitality segment.
2. To ensure the improved administrative control and also impart the better financial leverage for both the Companies.

3. To ensure the integration of competencies of both the Companies and bring in uniformity in process and systems which would result in effective cost reductions.
4. The transferee Company after the proposed scheme of amalgamation would be financially strong and would also deploy better expertise so as to improve the performance and also make it financially strong giving it better opportunities for leveraging its strengths thereby earning higher returns for the Shareholders.
5. The proposed amalgamation would place the transferee company in a better financial position to expand its business and also in taking up new projects like setting up Hotels, Motels, Restaurants, Budgeted Resorts, etc.,
6. The proposed amalgamation is not only beneficial to the shareholders but also to their employees and its creditors as well.

Whereas to achieve the said objective, a scheme of amalgamation has been arrived at by the Board of Directors of M/s. Country Club Bangalore Limited and M/s. Country Condo's Limited and it has been decided to make the requisite Applications / Petitions before the Hon'ble High Court of Andhra Pradesh, Hyderabad under sections 391 and 394 of the Companies Act, 1956 for the sanction of the following scheme of amalgamation:-

## **PART II**

### **2. DEFINITIONS:**

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings.

- 1.1 "The Act" means the Companies Act, 1956 as amended from time to time.
- 1.2 "The Appointed Date" shall mean the 1<sup>st</sup> day of October, 2009 or such other date as the Hon'ble High Court of Andhra Pradesh may direct.
- 1.3 "The Court" shall mean the Hon'ble High Court of Andhra Pradesh.
- 1.4 "The Effective Date" for the Scheme of Amalgamation shall mean the date on which the certified copies of the orders of the Hon'ble High Court of Andhra Pradesh under Sections 391 to 394 of the Companies Act, 1956 are filed with the Registrar of Companies, Andhra Pradesh after obtaining the necessary consents, approvals, permissions, resolutions, agreements, sanctions and orders and if the certified copies are filed on different dates, the last of such dates.

- 1.5 "Scheme" shall mean this Scheme of Amalgamation of M/s. Country Club Bangalore Limited with M/s. Country Condo's Limited under section 394 of the Companies Act, 1956.
- 1.6 "The Transferor Company" or "the Company" shall mean M/s Country Club Bangalore Limited a Company incorporated under the provisions of the Companies Act, 1956 having its Registered Office at 6-3-1219, Begumpet, Hyderabad- 500016.
- 1.7 "The Transferee Company" shall mean Country Condo's Limited, (hereinafter also referred to as the "Transferee Company") a Company incorporated under the Companies Act, 1956 having its Registered Office at 8-2-703, Mahogany Complex, Ground Floor, Amrutha Valley, Road No.12, Banjara Hills, Hyderabad- 500034.
- 1.8 "The undertaking of the Transferor Company" shall mean
- a. All the assets and properties of the Transferor Company as on the Appointed Date (hereinafter referred to as "the Assets").
  - b. All the debts, liabilities, duties and obligations (including secured and unsecured creditors) of the Transferor Company as on the Appointed Date (hereinafter referred to as "the Liabilities").
  - c. Without prejudice to the generality hereof, the undertaking of the Transferor Company shall include all rights, privileges, powers and authority, reserves, investments of all kinds and all assets / properties movable or immovable, real or personal, corporeal or incorporeal in possession or in reversion, material, present or contingent, of whatsoever nature and wheresoever situate, other fixed assets, current assets, lease and hire purchase contracts, lending contracts, benefit of security arrangements, industrial and other licenses, if any, permits, authorisations, registrations and liberties, quota rights, patents, trade marks, leasehold and tenancy rights, industrial and intellectual property rights, benefits, approvals, easements and import / export quotas and various subsidies / concessions granted to the Transferor Company by the Central / State Governments including the sales tax exemption / subsidy, if any, granted by the State Government of Andhra Pradesh and telephones, telexes, facsimile connections and installations, communication facilities and equipments, other utilities, electricity and other services, rights and benefits of all agreements and all other interests held by the Transferor Company or to which the Transferor Company is entitled, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals and all debts, liabilities, duties of the Transferor Company and all other obligations of whatsoever kind including, liabilities, if any, for payment of gratuity, pension benefits, provident fund or compensation in the event of loss of office/employment.

*Provided* always that any reference in the security documents to which the Transferor Company is a party to, the assets of the Transferor Company offered as security for any financial assistance or obligation shall be construed as a reference to the assets pertaining to the undertaking of the Transferor Company only as are vested in the Transferee Company by virtue of this Scheme and the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the scheme of amalgamation and the Transferee Company shall not be obliged to create any further or additional security thereof after the scheme has become effective or otherwise, except in cases where the required security has not been created and in such cases the Transferee Company will create the security in terms of the issue or agreement in relation thereto.

### **PART- III**

#### **3. TRANSFEROR COMPANY**

##### **3.1 INCORPORATION**

M/s Country Club Bangalore Limited was originally incorporated under the name and style of Amrutha Resorts Private Limited with the Registrar of Companies, Andhra Pradesh, Hyderabad vide Certificate of Incorporation No. 01- 12828 of- 1991-92 on 19<sup>th</sup> June, 1991 and later on it was converted to Public Limited Company after complying with the necessary formalities under the Companies Act., 1956, A fresh Certificate of Incorporation consequent on its conversion under section 31 was issued by the Registrar of Companies, AP, Hyderabad on 30.10.1992. Later on the Company changed its name to the present name i.e. M/s Country Club Bangalore Limited and a fresh Certificate of Incorporation consequent on upon of the Company change of name was issued by the Registrar of Companies, AP, Hyderabad on 29.10.1997 after complying with the necessary formalities under the Companies Act., 1956.

##### **Capital Structure:**

The Authorised Share Capital of the Transferor Company is Rs. 5,00,00,000/- ( Rupees Five Cores Only) divided into 50,00,000 (Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each and entire capital has been issued, subscribed and fully paid up.

##### **Main Objects:**

The Main Objects of the Transferor Company presently enables it to carry on the business of:

1. To carry on the Business of Hotels, Motels, Resorts, Restaurants, Cafes, Taverns and Refreshment Rooms, Lodge house keepers, Licensed wine, Beer and Spirit Merchants.
2. To carry on the business as managers and operators of hotels, motels, resorts, restaurants and the like.
3. To act as consultants and advisers for hotels, motels, resorts and the like.

### **3.2 TRANSFEREE COMPANY**

#### **INCORPORATION**

M/s Country Condo's Limited was originally incorporated on 25.09.1987 (Twenty fifth day of September Nineteen Eighty Seven) in the State of Andhra Pradesh, Hyderabad vide Certificate of Incorporation No.7811 of 1987-88 under the name and style of Neocure Therapeutics Private Limited and later on it was converted into a Public Limited Company in terms of special resolutions passed on 21<sup>st</sup> day of July, 1988 and fresh certificate of incorporation consequent in its conversion was issued by Registrar of Companies on 22.08.1988. Later on the Company had changed its name to its present name i.e. Country Condo's Limited after complying with the necessary formalities under the Companies Act.,1956 and a fresh Certificate of Incorporation consequent upon change of name was issued by the Registrar of Companies, AP, Hyderabad on 8.12.2006 under its Corporate Identity No. is L24230AP1987PLCO007811.

#### **Capital Structure:**

The present Authorised Share Capital of the Transferee Company is Rs .30,00,00,000/- (Thirty Crores Only) divided into 30,00,00,000 (Thirty Crores only) Equity Shares of Re.1/- (Rupee One Only) each. The present Issued, Subscribed and Paid up capital is Rs. 4,85,97,300/- (Rupees Four Crore Eighty Five Lakhs Ninety Seven Thousand Three Hundred Only) divided into 4,85,97,300 (Four Crore Eighty Five Lakhs Ninety Seven Thousand Three Hundred Only) Shares of Re.1/- (Rupee One Only) each.

#### **Main Objects:**

The Main Objects of the Transferee Company inter alia enables it to carry on the business of:

1. To acquire construct, develop, improve, manage administer own and carry on the business in India and abroad of hotels, resorts, boarding and lodging houses, guest houses, holiday homes, condos, inns, restaurants, café, bar, health resorts, health clubs and centers for art, culture and to render consultancy in the aforesaid business.



2. To carry on the business as the business as hoteliers, hotel proprietors, hotel managers and operators, refreshment contractors and caterers, restaurant keepers, refreshment room proprietors, milk and snack bar proprietors, café and tavern proprietors, lodging house proprietors, ice-cream merchants, sweetmeat merchants, milk manufacturers and merchants, bakers, confectioners, professional merchants, licensed victuallers, wine and spirit merchants, blenders and bottlers.
3. To carry on the business or businesses whether together or separately of proprietors and operators of amusement parks, and as promoters, organizers and managers of all kinds of entertainments, sports, recreation and amusement, whether indoor or outdoor, including funfairs, exhibitions, sideshows and games, competitions, tournaments, concerts, cinematography and television performances, stage and variety shows, aquatic and equestrian events, pyrotechnic, aerial and spectacular displays, dancing, skating, circuses, and other forms and types of like enterprises generally. And to carry on the business of designing, developing and setting up of amusement parks, places, gardens, studios, all kinds of games, entertainment centers to facilitate children, families enhance their physical, educational and emotional development and to act as dealers, sellers, distributors, agents for all items, services, activities, facilities and to undertake activities of every type for the purpose of entertainment, joy, satisfaction, happiness, rest, amusement of all people/public in India and abroad.
4. To purchase or otherwise acquire any land, building or premises and to turn into account, develop, improve, alter, demolish, or let out for purpose of carrying on the business in India or elsewhere of hotels, restaurants, cafes, Resorts, Condo's tavern, house-keepers and to carry on the business of wine, spirit and liquor merchants, brewers, masters, distillers, importers, exporters and manufacturers of aerated, mineral and artificial waters, and other drinks whether intoxicating or not or caterers for public amusement or entertainment, proprietor or motor and other vehicle garage proprietors job-masters, refreshment room keepers, farmers, dairymen and is merchants, victuallers live and dead stock and colonial and foreign produce of all description, hairdressers, performers, chemist, proprietors of clubs, baths dressing room, museum, reading, writing and news paper room, library, grounds, indoor and outdoor, game, sport recreation, exhibition, entertainment and instruction of all kinds, tobacco and cigarettes, agents from railway and shipping Company and tourists, theatrical, cinemas and opera box and any other business which can be conveniently or usefully carried on in connection with the aforesaid objects of the Company.

## **PART- IV**

### **4. TRANSFER OF ASSETS AND LIABILITIES / UNDERTAKING**

With effect from the Appointed Date, the entire undertaking of the Transferor Company as on the Appointed Date shall, under the provisions of Sections 391 to 394 of the Companies Act, 1956, without any further act or deed, but subject to the charges affecting the same as on the Appointed Date, be transferred to and vested in the Transferee Company so as to become, as and from the Appointed Date, the properties, assets, estate, right, title and interest of the Transferee Company.

In respect of such of the assets, including cash on hand, as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same may be so transferred by the Transferor Company to the Transferee Company. The amounts lying with the Banks to the credit of the Transferor Company shall also be transferred to the Transferee Company. Such delivery and transfer shall be made on a day not later than the date to be mutually agreed upon between the respective Board of Directors of the Transferor Company and the Transferee Company within thirty days from date of the orders of the High Court sanctioning this Scheme.

With effect from the appointed date, all debts, liabilities, duties and obligations of every kind, what so ever nature and description shall also, under the provisions of Section 391 to 394 of the Act, vest or be deemed to have been vested, without any further act, instrument or deed, in the Transferee Company so as to become the debts, liabilities, duties and obligations of the Transferee Company. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provision of this clause.

Any loans of the Transferor Company shall be kept distinctly identified in the records of the Transferee Company for all intents and purposes including taxation and accounting and shall not be combined under any existing loan of the Transferee Company.

With effect from the Appointed Date, subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company be required and except to the extent otherwise by law required, the reserves and surplus of the Transferor Company will be merged and shown as the reserves and surplus or General Reserves of the Transferee Company. To the extent, if any, that any reserves of the Transferor Company is required to be separately maintained / designated in the books of the Transferee Company, the Transferee Company shall credit the same in its books identifying and designating such reserves.

The difference between the amount recorded as fresh share capital issued by the Transferee Company on scheme of amalgamation and the amount of share capital, if any of the Transferor Company will be reflected in the General Reserves / Revenue reserves of the Transferee Company.

Further, in case of any differences in accounting policy between the Companies, the impact of the same till the scheme of Amalgamation will be quantified and adjusted in the Revenue Reserves mentioned earlier to ensure that the financial statements of the Transferee Company reflects the financial position on the basis of consistent accounting policy.

The transfer and vesting as aforesaid, shall be subject to the existing charges and mortgages/ encumbrances, if any, over or in respect of any of the Assets or any part thereof created by the Transferor Company. Provided, however that such charges/ mortgages / encumbrances shall be confined only to the related Assets or part thereof as encumbered by the Transferor Company and transferred to and vested in the Transferee Company on and from the Appointed Date and no such charges / mortgages / encumbrances shall extend over or apply to any other asset(s) or property (ies) of the Transferee Company. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to any asset(s) or property (ies) of the Transferor Company shall be so construed to the end and intent that such security, shall not extend or be deemed to extend to any of the other asset(s) or property (ies) of the Transferee Company.

#### **LEGAL PROCEEDINGS:**

On and from the Appointed Date all suits, actions and other legal proceedings hereinafter called “the proceedings”) by or against the Transferor Company and pending on the Effective Date and relating to the Transferor Company or the property, assets, debts, liabilities, duties and obligations referred to in Clause 4 above, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in this Scheme and the same shall be continued, defended, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, defended, prosecuted and enforced by or against the Transferor Company. On and from the Effective Date, the Transferee Company shall and may initiate any legal proceedings for and on behalf of the Transferor Company.

#### **5. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS:**

On and from the Appointed Date and subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements, engagements and other instruments,

if any, of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

The Transferee Company shall, wherever necessary, enter into and/or issue and / or execute deeds, writings or confirmations at any time prior to the Effective Date any tripartite arrangements, confirmations or novations to which the Transferor Company also will, if necessary, be a party in order to give formal effect to the provisions of this clause, if so required or if it becomes necessary.

Wherever such tripartite arrangements, confirmations or novations are required, the Transferor Company and the Transferee Company shall ensure that the same are completed prior to the Effective Date. Non – execution of such deeds, documents etc., shall not however, effect the Scheme becoming effective as provided herein or the transfer of such assets to and vesting of such liabilities in the Transferee Company with effect from the Appointed Date.

#### **6. CONDUCT OF BUSINESS BY THE TRANSFEROR COMPANY TILL THE EFFECTIVE DATE**

With effect from the Appointed Date and upto the Effective Date The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities and shall stand possessed of and shall be deemed to have held and stood possessed of its properties and assets for and on account of and in trust for the Transferee Company.

The transfer and vesting of the property and liabilities and the continuance of the proceedings by the Transferee Company under this Scheme shall not effect any transactions or proceedings already concluded by the Transferor Company in the ordinary course of business on and after the Appointed Date to the end and intent that the Transferee Company accepts on behalf of itself all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

The Transferor Company shall carry on its business and activities with due business prudence and diligence and shall not, without the prior written consent of the Transferee Company or pursuant to any pre – existing obligation sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with its undertaking or any part thereof or incur or accept or acknowledge any debt, obligation or liability except as is necessary in the ordinary course of its business.

Provided always that the Transferor Company and the Transferee Company shall have the liberty to take up any new projects, avail any new loans and facility and raise any debentures and to create any mortgage or charge on their respective properties and/or to declare any interim dividend on its Equity Shares and otherwise carry on all activities in the usual course of business.

Save as specifically provided in this scheme, the Transferor Company shall not make any change in its capital structure either by an increase, decrease, reduction, reclassification, sub-division or consolidation, reorganization or in any other manner which may, in any way, affect the Equity Share Exchange Ratio.

#### **7. DIVIDENDS, PROFITS, BONUS / RIGHTS SHARES:**

The Equity Shares of the Transferee Company to be issued and allotted to the equity shareholders of the Transferor Company shall rank *pari passu* in all respects with the Equity Shares of the Transferee Company. However the shareholders of the Transferor Company shall not be entitled to any rights or Bonus Shares that may be issued by the Transferee Company before such allotment. The holders of the shares of the Transferor Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their Articles of Association including the right to receive dividends from the Transferor Company of which they are members, till the Effective Date.

It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and / or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Board of Directors of the Transferor Company and the Transferee Company and subject to the approval of the shareholders of the respective Companies.

The Transferor Company shall not issue or allot any Rights Shares or Bonus Shares out of its Authorised or unissued Share Capital for the time being except with the permission of the Board of the Transferee Company.

#### **8. TRANSFEROR COMPANY'S STAFF, WORKMEN AND EMPLOYEES**

The Employees of the Transferor Company would be absorbed by the Transferee Company and the proposed scheme would not affect the employees of the Transferor Company in any manner and they would continue to enjoy the same benefits as they used to before the proposed scheme and their services shall be deemed to have been continuous and not have been interrupted by reason of the said transfer

## **9. ISSUE OF SHARES BY THE TRANSFEREE COMPANY:**

Upon the transfer of the undertaking of the Transferor Company and the scheme being sanctioned by the Hon'ble High Court, the consideration in respect of such transfer shall, subject to the provisions of this Scheme, Transferee Company (without further application) shall issue and allot to every shareholder of the Transferor Company i.e., M/s. Country Club Bangalore Limited **29** (Twenty Nine ) fully paid up Equity shares of Re.1/- each in the Transferee Company i.e., M/s. Country Condo's Limited, for every **5** (Five) fully paid up Equity share of Rs.10 /- each held by shareholders in the Capital of the Transferor Company, i.e., M/s. Country Club Bangalore Limited on such date (hereinafter called "the Record Date") as the Board of Directors of the Transferee Company will determine.

### **SHARE CAPITAL UPON SANCTIONING THE SCHEME**

Upon the coming into effect of this Scheme, it shall be deemed that the members have passed requisite resolutions under section 16, 31 and 94 of the Companies Act, 1956 and other applicable provisions for increase in Authorised Capital and accordingly, the Clause V of the Memorandum and Article 3 of the Articles of Association of the Company (relating to the Authorized Share Capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended in the manner set out below and be replaced by the following clause :

#### **Clause V:**

- (i) The Authorized Share Capital of the Company is Rs.35,00,00,000/- (Rupees Thirty Five Crores Only) divided into 35,00,00,000 (Thirty Five Crores ) Equity shares of Re.1/- (Rupee One Only) each.
- (ii) The Share Capital of the Company (Whether original increases or reduced) may be sub-divided, consolidated or divided into such clauses of Shares as may be allowed under the law of the time being relating to Companies with such privileges or right as may be attached and to be held upon such terms as may be prescribed by the Articles of Association of the Company.

#### **Article 3:**

3. The Authorized Share Capital of the Company is Rs.35,00,00,000/- (Rupees Thirty Five Crores Only) divided into 35,00,00,000 (Thirty Five Crores) Equity shares of Re.1/- (Rupee One Only) each..

Upon sanctioning the scheme and without any further approval, the paid up share capital of the company shall be Rs.7,75,97,300 (Rupees Seven Crores Seventy Five Lakhs Ninety Seven Thousand and Three Hundred only) divided into 7,75,97,300 (Seven Crore Seventy Five Lakhs Ninety Seven Thousand and Three Hundred only) fully paid up Equity shares of Re.1/- (Rupee One Only) each

All the Shareholders of the Transferor Company shall accept the shares allotted and issued to them by the Transferee Company in lieu of their shareholdings in the Transferor Company.

The Transferee Company, for the purpose of issuing the aforesaid shares to the Shareholders of the Transferor Company, shall not be required to pass a separate Special Resolution under Section 81(1A) of the Act and on the members of the Transferee Company giving their consent to the Scheme, it shall be deemed that the shareholders of the Transferee Company have given their consent to issue the aforesaid shares to the shareholders of the Transferor Company as required under Section 81(1A) of the Act.

For the purpose of such allotment, fractional entitlements, if any shall be rounded off to the nearest number.

Upon the scheme being sanctioned by the Court under section 394 of the Act and on its becoming effective the shares to be allotted to the members of the transferor company by the transferee company shall be listed and / or admitted to trading on the relevant Stock Exchange/s in India, where the equity shares of the transferee company, M/s. Country Condo's Limited are listed and / or admitted to trading as on the Effective Date.

#### **11. CANCELLATION OF SHARES**

Upon this Scheme coming into effect, the shareholders of the Transferor Company shall surrender their share certificates for cancellation thereof to the Transferee Company. Further, notwithstanding anything to the contrary, upon the new shares in the Transferee Company being issued and allotted by it to the eligible shareholders of the Transferor Company whose names shall appear on the Register of Members of the Transferor Company on the Record Date, the share certificates in relation to the shares held by them in the Transferor Company shall be deemed to have been cancelled and shall be of no effect on and from such Record Date.

#### **DISSOLUTION OF THE TRANSFEROR COMPANY**

On the Scheme becoming effective and subject to an order being made by the Hon'ble High Court of Andhra Pradesh under Section 394 of the Act, the Transferor Company shall

be dissolved without going through the process of winding up with effect from the appointed date or such other date as may be fixed by the Hon'ble High Court of Andhra Pradesh.

## **12. APPLICATION TO THE HIGH COURT**

The Transferor Company and the Transferee Company shall take all necessary steps for seeking the sanction of this Scheme by the High Court of Andhra Pradesh pursuant to Section 394 of the Act under this Scheme for the implementation thereof.

### **MODIFICATIONS / AMENDMENTS TO THE SCHEME**

The Board of Directors of the Transferor Company and the Transferee Company acting jointly or through any person or persons duly authorised by them respectively may consent on behalf of all concerned for any modifications of or addition to this Scheme or to any condition which the Hon'ble High Court of Andhra Pradesh at Hyderabad or any other authority may think fit to impose and may do all acts, deeds, matters and things necessary or usual for carrying this Scheme into effect.

## **PART- V**

## **14. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS:**

This Scheme is conditional upon and subject to:

- a. the approval of the Scheme by the requisite majorities of the members, of the Transferor and the Transferee Companies.
- b. the requisite resolution(s) under the applicable provisions of the Act being passed by the Shareholders of both the Companies, for any of the matters provided for or relating to the Scheme, including approval to the issue and allotment of Equity Shares in the Transferee Company to the Shareholders of the Transferor Company, as may be necessary or desirable, provided however, where the consent of all the Shareholders of the respective Companies are obtained by the Board of Directors of the respective Companies, with the leave of the Hon'ble High Court of Andhra Pradesh, the Shareholders meeting need not be held.
- c. the sanction of this Scheme by the Hon'ble High Court of Andhra Pradesh pursuant to Section 394 of the Act for this Scheme and for the implementation thereof and to the necessary Orders being obtained.



- d. the requisite sanctions or approval of appropriate authorities concerned, as may be considered necessary and appropriate by the respective Board of Directors of the Transferor Company and the Transferee Company, being obtained and granted in respect of any of the matters for which such sanction or approval is required.

#### **EFFECT OF NON – RECEIPT OF APPROVALS / SANCTIONS**

In the event of the Scheme failing to take effect for any reason whatsoever, the Scheme shall become null and void and in that event, no rights or liabilities shall accrue to or be incurred by the parties or their shareholders, creditors or any other person. In such case, each Company shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme or as may mutually be agreed.

#### **EXPENSES CONNECTED WITH THE SCHEME**

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with the negotiations leading upto the Scheme and for carrying out and implementing / completing the terms and provisions of this Scheme and / or incidental to the completion of scheme of amalgamation of the Transferor Company in pursuance of this Scheme shall be borne and paid by the Transferor Company and the Transferee Company respectively.

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IN THE HIGH COURT OF JUDICATURE OF ANDHRA PRADESH:  
AT HYDERABAD  
(ORIGINAL JURISDICTION)  
COMPANY APPLICATION No. 118 OF 2010  
In the matter of Companies Act, 1956 (1 of 1956)  
and  
In the matter of Sections 391 and 394 of the said Act  
and  
In the matter of M/s. Country Condo's Limited  
And  
In the matter of M/s. Country Club Bangalore Limited

M/s. Country Condo's Limited,  
a company incorporated under the  
Companies Act, 1956 having its  
Registered Office at 8-2-703, Mahogany  
Complex, Ground floor, Amrutha Valley,  
Road No.12, Banjara Hills,  
Hyderabad - 500034  
Represented by its Jt. Managing Director &  
Chief Executive Officer Sri Y. Siddharth Reddy.

... Applicant/  
(Transferee Company)

**FORM OF PROXY**

I/we, the undersigned shareholder/s of the above company hereby appoint Mr./Mrs.  
..... as my/our proxy, to act for me/our at the meeting of the shareholders to  
be held at Sri Agrasen Bhavan, 149, Sapper Line, Brigade Road, Secunderabad-500 003 on Saturday the 20th day of  
March, 2010 at 11.30 A.M. for the purpose of considering and if thought fit, approving with or without modification(s),  
the proposed scheme of amalgamation of M/s. Country Club Bangalore Limited with M/s. Country Condo's Limited  
and at such meeting and any adjournment thereof, to vote, for me/us and in my/our name  
..... (herein if for insert "for", if against, insert "against") the said scheme  
of amalgamation of either with or without modification(s) as my/our proxy my approve.

Date this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

Signature : \_\_\_\_\_ Name : \_\_\_\_\_  
Address : \_\_\_\_\_ No. of shares held : \_\_\_\_\_

Folio No. / DP ID : \_\_\_\_\_  
(Strike whichever is not applicable).

Affix  
15 paise  
Revenue  
Stamp

-----  
M/s. Country Condo's Limited,  
Registered Office at 8-2-703, Mahogany Complex, Ground floor,  
Amrutha Valley, Road No.12, Banjara Hills, Hyderabad - 500034

**ATTENDANCE SLIP**

Name and address of the Shareholder: .....

Folio No. / DP ID ..... No. of Shares held .....

I/we certify that I/we am/are registered shareholder/proxy for the registered shareholder of the company. I/we hereby  
record my/our presence at the meeting of the shareholders of the company to be held at Sri Agrasen Bhavan, 149,  
Sapper Line, Brigade Road, Secunderabad-500 003 on Saturday the 20th day of March, 2010 at 11.30 A.M.

Member's / Proxy's Name  
in block letters. \_\_\_\_\_ Member's / Proxy's Signature \_\_\_\_\_

Note: Please fill in this attendance slip and hand it over at the entrance of the hall.

PRINTED MATTER

BOOK POST

If undelivered please return to:

**COUNTRY CONDO'S LIMITED**

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