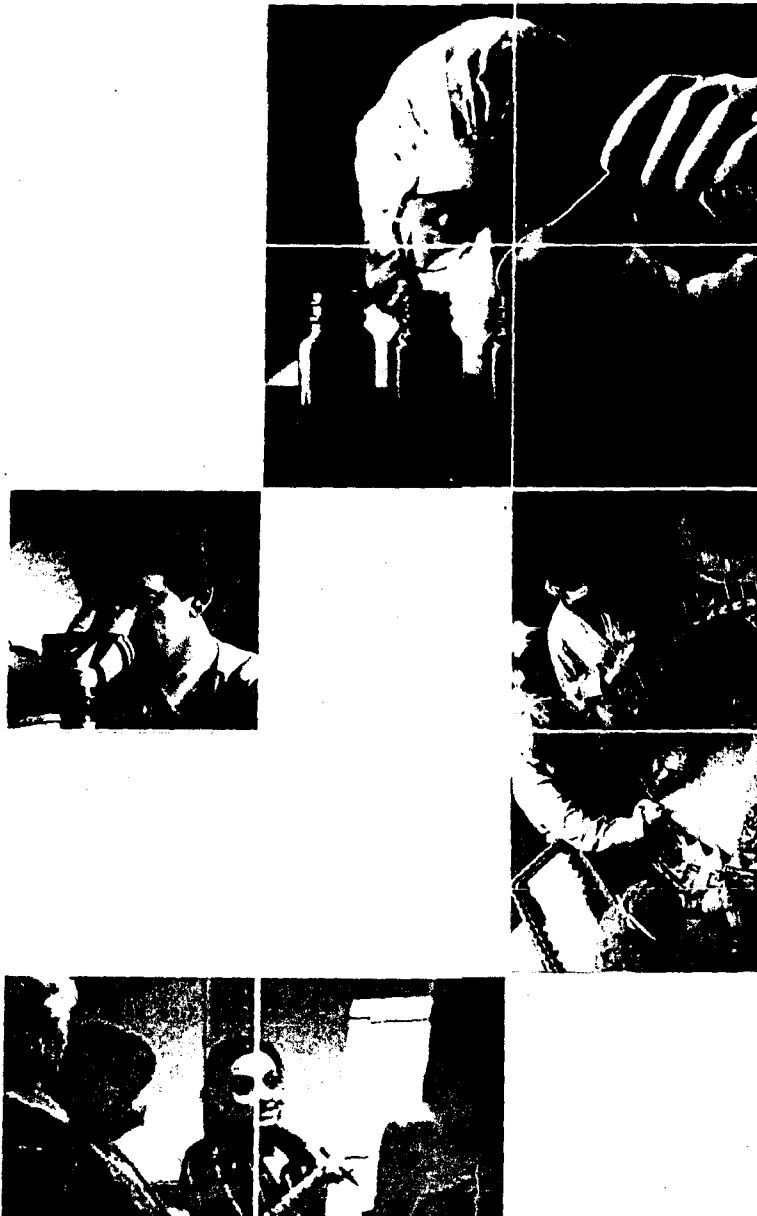


SECUNDERABAD Healthcare Limited



17th
Annual Report
2007-2008

SECUNDERABAD

Healthcare Limited

17th ANNUAL REPORT

2007-2008

SECUNDERABAD HEALTHCARE LIMITED

BOARD OF DIRECTORS

Mr. M. Munisekhar
Mr. B. Daniel Solomon
Mr. G. Vasudeva Reddy
Mr. M.T. Srinivas Rao
Mr. K. Hari Kumar
Mr. R. Surendra Naidu
Mr. Sharad T. Shah

Managing Director
Executive Director
Non Executive Director
Independent Non Executive Director
Independent Non Executive Director
Independent Non Executive Director
Additional Director

COMPANY SECRETARY

Mr. B.Venu Gopal

BANKERS

Development Credit Bank (DCB)
Central Bank of India
ICICI Bank
Kotak Mahindra Bank

AUDITORS

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

REGISTERED & Corporate office

Flat No.402, Mahita Enclave,
Madhura Nagar, Hyderabad-500 038.
Tel: 040 - 65881177
Fax: 040 - 23741128

SHARE TRANSFER AGENTS

M/s. AARTHI CONSULTANTS PRIVATE LIMITED
1-2-285, Domalguda, Hyderabad 500 029.
Tel : 040 - 27642217
Fax : 040 - 27634445

LISTING AT:

Bombay Stock Exchange Limited, Mumbai.

NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the members of Secunderabad Healthcare Limited will be held on Monday, the 29th September 2008 at 02.00 P.M. at, Sundarajah Vignana Kendram (Mini Hall), Baghlingampally, Hyderabad-500 044 to consider the following business:

ORDINARY BUSINESS

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

SPECIAL BUSINESS

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

"RESOLVED THAT Sri. Sharad T. Shah, who was appointed as an Additional Director by the Board in terms of Section 260 of the Companies Act, 1956 with effect from 28TH JUNE, 2008 and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

BY ORDER OF THE BOARD OF DIRECTORS
For SECUNDERABAD HEALTHCARE LIMITED

PLACE: HYDERABAD
DATE: 11-08-2008

MANAGING DIRECTOR

NOTES

SECUNDERABAD HEALTHCARE LIMITED

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER.
- b) PROXIES IN ORDER TO BE EFFECTIVE MUST BE FILED WITH THE COMPANY NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
- c) THE RELAVANT EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS SET OUT ABOVE, AS REQUIRED BY SEC.173 (2) OF THE COMPANIES ACT, 1956 IS ANNEXED HERETO.
- d) THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM 27-09-2008 TO 29-09-2008 (BOTH DAYS INCLUSIVE) IN CONNECTION WITH THE ANNUAL GENERAL MEETING.
- e) THE MEMBERS ARE REQUESTED TO INTIMATE PROMPTLY ANY CHANGE IN THEIR ADDRESS TO THE SHARE TRANSFER AGENTS OF THE COMPANY M/S.AARTHI CONSULTANTS PRIVATE LIMITED, 1-2-285, DOMALGUDA, HYDERABAD - 500 029.
- f) MEMBERS DESIROUS OF OBTAINING ANY INFORMATION ON THE ANNUAL ACCOUNTS OF THE COMPANY ARE REQUESTED TO WRITE TO THE COMPANY AT LEAST 7 WORKING DAYS BEFORE THE DATE OF THE MEETING TO ENABLE THE COMPANY FOR COMPILATION OF THE REQUIRED INFORMATION. MEMBERS ARE REQUESTED TO BRING THEIR COPY OF THE ANNUAL REPORT AT THE ENSUING ANNUAL GENERAL MEETING.

ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

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

Name	Sri. V. Sundera Raja Bhattar
Age	43 Years
Qualifications	B.Com, J.D.C
Experience	20 years in Banking Sector
Other Directorships	NIL

Name	Sri. M. Munisekhar
Age	42 Years
Qualifications	MBA
Experience	17 years experience in the areas of Finance, Administration, Marketing, Legal and Procurements.
Other Directorships	1

Name	Sri. G. Vasudeva Reddy
Age	54 Years
Qualifications	MBA
Experience	30 years experience in the areas of Finance, Administration, Marketing, Legal and Procurements.
Other Directorships	1

Explanatory Statement

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

Item No.5

Sharad T. Shah was appointed by the Board of Directors as an Additional Director with effect from 28th June, 2008. Under section 260 of the Companies Act, 1956, Sharad T. Shah holds office only upto the date of this Annual General Meeting. The company has received a notice in writing under section 257 of the Companies Act, 1956, along with a deposit of Rs. 500/- from a member signifying his intention to propose the name of Sri Sharad T. Shah as a candidature for the office of Director.

None of the Director is directly or indirectly concerned or interested in this resolution except Mr. Sharad T. Shah to the extent of his shareholding in the company.

The brief profile of Mr Sharad T. Shah has been given elsewhere in this Notice.

The Board recommends the Resolution for the members' approval in the Annual General Meeting.

ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

Brief Details of Directors seeking reappointment /appointment at this Annual General Meeting including the Directors appointed since last AGM (Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Mr. M.T Srinivas Rao	Mr.R., Surender Naidu	Mr. Sharad T. Shah
Date of Appointment	01.11.2005	23.02.2006	28 th June, 2008
Date of Birth	15.08.1946	09.04.1964	19.08.1951
Qualification	B.com, FCA	Degree	BS in Chemistry
Expertise in Specific functional areas	35 years of Experience in Corporate and Financial Management	Electronics & Telecommunications	Specialisation in Chemistry and in Business in USA for more than 25 years.
List of Companies in which Directorships held as on 31.03.2008	Roopa Industries Limited	Spiderking Network Marketing	None
Chairman/Member of the Committees of other Companies in which he is a Director as on 31.03.2008	None	None	None

Note: Committees include the Audit committee, remuneration committee and the Shareholders/ Investors Grievance Committee.

DIRECTORS' REPORT

To
The Members of
M/s. SECUNDERABAD HEALTHCARE LIMITED

The Directors have pleasure in presenting the 17th Annual Report of the company together with the Audited Accounts for the year ended 31st March 2008.

FINANCIAL RESULTS**(Rs. Lakhs)**

Particulars	Year ended 31-03-2008	Year ended 31-03-2007
Turnover	2017.30	883.58
Profit before Tax (+) / Loss (-)	269.3	195.36
Provision for Tax	41.90	16.94
Profit After Tax (+) / Loss (-)	227.40	178.42
Balance Brought Forward	5.76	(170.00)
Balance Carried Forward	0.00	5.76

OPERATIONS

During the year under report, your company has achieved remarkable turnover due to boost up of the healthcare industry in all aspects. Even though the competition has substantially increased in the sector, the inevitable needs of the common man with health consciousness resulted in increased turnover and net profit of the Company. Your Directors look forward to increase the profitability by introducing various healthcare products at competitive price and expanding the operations to overseas in nutraceuticals and cosmeceuticals.

Besides strengthening its business in the above areas, your company also entered into areas of latest technologies like Bio Fertilizers and Bio Pesticides.

Hence, expects higher profits in the years to come.

OUTLOOK

Health care is one of the largest service sectors in India as well as in the world. Down turn in the world economies forcing western world to cut their costs on health care and pharmaceuticals. This provides opportunity to your company and well as to India.

Increased fertilizer raw material input costs and environmental safety concerns worldwide has made countries like India, which is mainly dependent on agriculture based economy, to look for alternates and giving boost for Bio fertilizers and Bio pesticide.

Besides concentrating on Health Care, Nutraceuticals and Cosmeceuticals, your company has entered into upcoming areas like peptones, bio fertilizers and bio pesticides.

SPECIAL RESOLUTIONS

The Members have passed special resolution on 17th January, 2008 at their meeting pursuant the provisions of Section 81(1A) of the Companies Act, 1956 relating to issue of 200000 warrants to the persons other than promoters and 175000 warrants to the promoters on preferential basis with an option to convert the same in to

Equity Shares. The Company has complied with the necessary provisions of related enactments as may be applicable in this regard.

ISSUE OF SHARE WARRANTS

The company had issued Share Warrants to a tune of 1,75,000 Share warrants to the promoters and 2,00,000 Share warrants to non-promoters, at a price of Rs. 100/- per warrant convertible into Equity Shares, as determined in accordance with the relevant SEBI Guidelines, convertible, at the option of the warrant holders within an aggregate time period of 18 months from date of allotment of the warrants into 3,75,000 Equity Shares at a price of Rs. 100/- per share as determined in accordance with the relevant SEBI Guidelines.

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:- The company has developed inhouse technology for Bio Fertilizers and Bio Pesticides.
- (ii) Research and Development (R & D): The Company is taking steps to get Research and Development work to be carried out inhouse and made the same as continuous process in the company.
- (c) Foreign exchange earnings: NIL

Foreign exchange out go: NIL

PARTICULARS OF EMPLOYEES

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

DIRECTORS

Mr.M.T. Srinivas Rao and Mr. R Surender Naidu retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Mr. Sharad T.Shah has been appointed as an Additional Director of the Company by the Board on 28th June, 2008, and is eligible to be appointed as Director liable to retire by rotation.

Mr. Sundara Raja Bhattar has been resigned from the Board for which he has tendered his resignation letter dated 1st August, 2008 to the Board the Board has accepted his resignation in their Board Meeting held on 11th August, 2008 with immediate effect (i.e w.e.f from 11th August, 2008). The Board has given appreciation to his valuable services rendered by him during his tenure of period.

AUDITORS:

M/s P. Murali & Co Chartered Accountants, Statutory Auditors of the company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The company has received letters from the Auditors to the effect that their appointment, if made, would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for such re appointment within the meaning of section 226 of the said act.

The notes on accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217(2AA)

As required under Section 217(2AA) of the Companies Act, 1956 which was introduced by the Companies (Amendment) Act, 2000, your Directors confirm that:

- i) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Loss of the company for the period;
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors had prepared the annual accounts on a going concern basis.

STATEMENT PURSUANT TO CLAUSE 38 OF LISTING AGREEMENT

Presently the company's Equity shares are listed on and Bombay Stock Exchange Limited (BSE) and the company has paid the Annual Listing Fees for the year 2008-09.

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 Auditor's Certificate on compliance with the mandatory requirements of Corporate Governance is given in "Annexure A" to this Report."

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

A. INDUSTRY BACKGROUND

India is known for its health, pharmaceutical industry for sometime. With the growing economy, increased awareness of health, availability of technical staff has made India as destination for health and related industries like pharmaceutical, biotech and nutraceutical industries. Besides globalization, population in India, increased life expectancy, knowledge about health, availability of health insurances have given boost of health and health related industry in India.

Besides health care, biotechnology life peptones, bio fertilizers and bio pesticides is paving the way for greener and safer inputs and living. Government and industry is encouraging and supporting the industry and products which are safer and environmental friendly.

B. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate internal control system and MIS system that define roles and responsibilities of people across various levels of the organization. These systems facilitate effective checks and controls as well as tight monitoring on a continuous basis.

C. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS:

The company has taken care of changes top, middle managements and staff in requirement of middle management and staff. By taking in to consideration of proposed changes in business model i.e. from healthcare to pharmaceuticals, biotechnology, cosmeceuticals and nutraceuticals the company has appointed required technical and administrative staff. New staff has under gone required training and orientation to handle present and future businesses of the company in an efficient and effective manner.

PERSONNEL

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

DEPOSITS

The company has not accepted any deposits during the year pursuant to the provisions of Section 58A of the Companies Act, 1956.

ACKNOWLEDGEMENTS

Your Directors also wish to express their thanks to the Stakeholders viz Shareholders, Financial Institutions, Bankers, Distributors and customers, the various departments of the Government of India and the Government of Andhra Pradesh for their unstinted support during the year under review and look forward to their continued support.

for and on behalf of the Board
for SECUNDERABAD HEALTHCARE LIMITED

(M.MUNISEKHAR)
MANAGING DIRECTOR

(DANIEL SOLOMAN)
EXECUTIVE DIRECTOR

PLACE: HYDERABAD
DATE: 11-08-2008



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 software 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 Seven Directors of which One Managing Director, One Executive Director, Two Non Executive and Non Independent Directors and three Independent Non Executive 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 March 31, 2008.
- c) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies is given below. Other Directorships do not include alternate directorships, directorships of private limited companies, section 25 companies and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

Composition of Board

Size and composition

Name of the Director	Category (Promoter/ Executive/ Non-Executive)	Designation	Relationship with other Directors	Number of memberships in Board of other Public Limited Company	Associated with other committees of public Limited Company	
					Member	Chairman
Sri M. Munisekhar	Promoter / Executive	Managing Director	None	1	Nil	Nil
Sri. Daniel Solomon	Executive	Executive Director	None	Nil	Nil	Nil
Sri. G. Vasudeva Reddy	Non Executive	Director	None	Nil	Nil	Nil
Sri. M.T. Srinivas Rao	Non Executive and Independent	Director	None	1	1	1
Sri. V. Sundara Raja Bhattar \$	Non Executive and Independent	Director	None	Nil	2	Nil
Sri. K. Hari Kumar	Independent Non-Executive	Director	None	Nil	Nil	Nil
Sri. R. Surendra Naidu	Non Executive and Independent	Director	None	Nil	1	1
Sri. Sharad T Shah*	Non Executive and Non Independent	Director	None	Nil	Nil	Nil

\$ Mr. Sundara Raja Bhattar was resigned as Director w.e.f 11.08.2008

* Mr. Sharad T Shah was appointed as an Additional Director on 28th June, 2008.

Six Board Meetings were held during the year from April 01, 2007 to March 31, 2008 on the dates mentioned as follows: 21-04-2007, 30-07-2007, 30-10-2007, 13-12-2007, 30-01-2008 and 29-02-2008. The Last Annual General Meeting was held on 29th September 2007. The attendance of each Director is as under:

Number of Board meetings held and attendance of the Directors during the Financial Year 2007-2008:

Name of the Director	No. of Meetings held	No. meetings attended	Presence at AGM
Sri M. Munisekhar	6	5	Yes
Sri. Daniel Solomon	6	5	Yes
Sri. G. Vasudeva Reddy	6	6	Yes
Sri M.T. Srinivas Rao	6	5	Yes
Sri. V. Sundara Raja Bhattar \$	6	6	Yes
Sri. K. Hari Kumar	6	6	Yes
Sri. R. Surendra Naidu	6	5	Yes
Sri. Sharad T Shah*	Nil	Nil	No

\$ Mr. Sundara Raja Bhattar was resigned as Director w.e.f 11.08.2008

* Mr. Sharad T Shah was appointed as an Additional Director on 28th June, 2008.

- c) None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company
- d) During the year, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for its consideration.

3. AUDIT COMMITTEE:

- I). The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.
- II) The terms of reference of the Audit Committee include a review of;
 - a. Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
 - b. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
 - c. Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

- d. Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
- e. Reviewing with management the annual financial statements before submission to the Board, focusing on:
- i Any changes in accounting policies and practices;
 - ii Qualification in draft audit report;
 - iii Significant adjustments arising out of audit;
 - iv The going concern concept;
 - v Compliance with accounting standards;
 - vi Compliance with stock exchange and legal requirements concerning financial statements;
 - vii Any related party transactions
- f. Reviewing the company's financial and risk management's policies.
- g. Disclosure of contingent liabilities.
- h. Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- i. Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- j. Discussion with internal auditors of any significant findings and follow-up thereon.
- k. Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- l. Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- m. Reviewing compliances as regards the Company's Whistle Blower Policy.
- III) The previous Annual General Meeting of the Company was held on 29th September 2007 and Mr.M.T. Srinivasa Rao, 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:

Attendance of Audit Committee

Name of the Director	No. of Meetings held	No. meetings attended
Sri. M.T. Srinivas Rao	4	4
Sri. V. Sundara Raja Bhattar \$	4	4
Sri. R. Surendra Naidu	4	4
Sri. K. Hari Kumar*	4	NA

\$ Mr. Sundara Raja Bhattar was resigned as Director w.e.f 11.08.2008

* Mr. K. Hari Kumar was inducted into the newly consulted Audit committee on 11-08-2008

The heads of finance and Statutory Auditor as Invitees also attended the meetings of Audit committee. The audit committee approves the un-audited financial results for each quarter before submitting to the Board of Directors for approval and adoption.

V) Four Audit Committee meetings were held during the year. The dates on which the said meetings were held are as follows: April 21, 2007, July 28, 2007, October 31, 2007 and January 28, 2008

The necessary quorum was present at all the meetings.

4. Remuneration Committee

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

5. REMUNERATION OF DIRECTORS:

Details of remuneration paid to Directors are given below:

Name of the Director	Relationship with other directors	Business relationship with company if any	Loans and advances from Company	Remuneration	Paid during the Year 2007-2008		
					Sitting fees Rs.	Salary Rs.	Commission
Mr. Munisekhar Medasani	None	Managing Director	Nil	Nil	6,36,000	Nil	6,36,000

No sitting Fee was paid to any Director.

6. Share Holders /Investors Grievance Committee:

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

The Committee consists of the following Independent & Non Executive Directors:
Shareholders/ Investors Grievance Committee

-Details of Committee members

Name of the Director	Chairman / Member
Sri. R.Surendra Naidu	Chairman
Sri V. Sundera Raja Bhattar \$	Member
Sri. M. T. Srinivas Rao	Member
Sri. K. Hari Kumar	Member

\$ Mr. Sundara Raja Bhattar was resigned as Director w.e.f 11.08.2008

* Mr. K. Hari Kumar was inducted into the newly consulted Remuneration committee on 11-08-2008

- Details of Complaints received/resolved

The total No. of Complaints received and complied during the year as follows:

Nature of Complaint	Received	Resolved	Pending
Total	Nil	Nil	Nil

Sri. V. Sundera Raja Bhattar is the Compliance Officer.

7. Details of Annual General Meetings: Location and time of the last Three AGMs,

AGM	YEAR	VENUE	DATE	TIME
16 th	2006-2007	Sundaraiah Vignan Kendaram (Mini Hall), Baghlingampally Hyderabad.	29.09.2007	2.00 p.m.
15 th	2005-2006	Sundaraiah Vignan Kendaram (Mini Hall), Baghlingampally Hyderabad.	27.09.2006	10.00 a.m.
14 th	2004-2005	H.No. 22-A/I, Phase II, 30-09-2005 3.00 P.M. APIIC Colony, Jeedimetla Hyderabad	30.09.2005	03.00 p.m.

(i) Special Resolutions passed in the previous three Annual General Meetings:

Date	Description of Special Resolution passed
29-09-2007	Alteration of Articles of Association consequent to Increase of Authorised Share Capital from Rs. 4 Crores to Rs. 5 Crores

(ii). Postal Ballot:

No Business item has been transacted through postal ballot last year:

8. Disclosures

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

None

B. Details of non-compliance by the company, penalties, Strictures imposed on the company by stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

None

9. NOTES ON DIRECTORS APPOINTMENT/RE-APPOINTMENT:

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

10. Means of Communications:

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

11. MANAGEMENT DISCUSSIONS AND ANALYSIS

The Management Discussion and Analysis (MD& A) is being forms part of the annual report

12. General Share Holder Information:

(I) Annual General Meeting	
Date	29th September, 2008
Time	2.00 P.M
Venue	Sundaraiah Vignan Kendaram (Mini Hall) , Baghlingampally Hyderabad.

(ii) Financial Calendar 1st April 2008 to 31st March 2009 And the financial reporting will be as follows:	
Quarter ending June, 30 2008	Last week of July 08
Quarter ending September 30 2008	Last week of October 08
Quarter ending December 31 2008	Last week of January, 09
Quarter ending March 31 2009	Last week of April, 09
Annual General Meeting for FY ended 31st March, 2009	Before end of September, 2009

(III) Date of Book Closure	27th September 2008 to 29th September 2008
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(IV) Dividend payment date	If, declared will be paid within the stipulated time as per the Act.
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(V) Listing on Stock Exchanges	1. Bombay Stock Exchange Limited (BSE)
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(VI) Scrip ID :	SECHE
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Bombay Stock Exchange Ltd	Secunderabad Healthcare
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Scrip Code	524540
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Dematerialization of Securities	ISIN: INE 930C 01016
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(VII) Market Price Data: High, Low during each Month in last Financial Year	During the financial year ended 31.03.2008		
	Month	High	Low
	July 2007	26.70	19.95
	August 2007	65.00	28.00
	September 2007	76.5	60.55
	October 2007	63.00	45.20
	November 2007	56.70	49.00
	December 2007	71.85	44.95
	January 2008	74.15	58.10
	February 2008	65.45	49.70
	March 2008	53.55	45.55

(VIII) Stock Performance in Comparison to Broad-based Indices such as BSE Sensex, CRISIL Index, BZX 200,Nifty etc..	During the financial year the shares of the company were traded actively and the Share price has been moving with the trend of the indices.
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(IX) Registrar & Transfer Agent	M/s. Aathi Consultants Private Limited 1-2-285, Domalguda, Hyderabad 500 029. Ph: 040-2763 8111; 040-2763 4445 Fax: 040-2763 2184 Website: www.aathiconsultants.com Email: info@aathiconsultants.com
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(X) Share Transfer System Documents will be accepted at	M/s. Aathi Consultants Private Limited 1-2-285, Domalguda, Hyderabad 500 029. Ph: 040-2763 8111; 040-2763 4445 Fax: 040-2763 2184 Website: www.aathiconsultants.com Email: info@aathiconsultants.com
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The Shares of the Company are in physical form and electronic form. The transfer of shares in demat form is done through the Depositories without involvement of the Company. As regards, transfer of shares held in physical form, the transfer documents can be lodged with M/s. Aarhi Consultants Private Limited at above-mentioned address.

The Transfer of shares in physical form is normally processed within 10-12 days from the date of receipt if the documents are complete in all respects. The Share Transfer Committee severally empowers to approve the transfers.

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

Share Holding of Nominal Value		Share Holders		Share Amount	
Rs.	Rs.	Numbers	% of Total	In Rs.	% of Total
(1)	(2)	(3)	(4)	(5)	(6)
Upto	5,000	1075	79.0	1884670	5.29
5,001	10,000	115	8.0	1088250	3.06
10,001	20,000	25	2.0	423700	1.19
20,001	30,000	50	4.0	1295800	3.64
30,001	40,000	10	1.0	364480	1.02
40,001	50,000	22	2.0	1081420	3.04
50,001	1,00,000	14	1.0	1089010	3.06
1,00,001	and above	45	3.0	28368670	79.7
TOTAL		1356	100.00%	35596000	100.00%

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

	CATEGORY	No. of Shares held	% of Shareholding
(A)	Shareholding of Promoter and Promoter Group:		
(1)	Indian		
a.	Individuals/Hindu Undivided Family	860500	24.17
b.	Central Government/State Government		
c.	Bodies Corporate		
d.	Financial Institutions / Banks		
	Others:		
e.	Mutual Funds		
f.	Trusts		
	Sub-Total (A) (1)	860500	24.17
(2)	Foreign		
a.	Individuals (Non-Residents Individuals / Foreign Individuals)	54500	1.53
b.	Bodies Corporate		
c.	Institutions		
d.	Any others specify - clearing members	301	0.01
	Sub-Total (A) (2)	54801	1.54
	Total Shareholding of Promoter and Promoter Group A = (A) (1) + (A) (2)	915301	25.71
(B)	Public Shareholding		
(1)	Institutions		
a.	Mutual funds / UTI		
b.	Financial Institutions / Banks	000	000
c.	Central Government/State Government		
d.	Venture Capital Funds		
e.	Insurance Companies		
f.	Foreign Institutional Investors		
g.	Foreign Venture Capital Investors		
	Others:		
h.	Foreign Companies		
	Sub-Total (B) (3)	000	000
(2)	Non - Institutions		
a.	Bodies Corporate	220355	6.19

b.	Individuals		
	i) Individual Shareholders holding Nominal Share Capital upto Rs. 1 Lakh	764236	21.47
	ii) Individual Shareholders holding Nominal Share Capital in excess of Rs. 1 Lakh	1659708	46.63
	Others:		
c.	Any other (specify)	0.00	0.00
	Sub-Total (B) (2)	2644299	74.29
	Total Public Sharholding B= (B) (1) + (B) (2)	2644299	74.29
	TOTAL (A+B)	3559600	100.00
(C)	Shares held by Custodians and against Depositories Receipts have been Issued	Nil	Nil
	GRAND TOTAL (A+B+C)	3559600	100.00

(XII) Dematerialization of shares & liquidity

The Company's shares are compulsory traded in dematerialized form and are available for trading on both the Depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Company representing 71.33% of the company's share capital are dematerialized as on 31st March 2008.

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

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE 930C01016.

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

The Company has issued 375000 share warrants to promoter and non promoters during the year

(XIV) Address for Correspondence

Flat No.402, Mahita Enclave,
Madhura Nagar, Hyderabad 500 038.

BY ORDER OF THE BOARD OF DIRECTORS
for **SECUNDERABAD HEALTH CARE LIMITED**

PLACE : HYDERABAD
DATE : 11-08-2008

(M.MUNISEKHAR)
MANAGING DIRECTOR

(DANIAL SOLOMAN)
EXECUTIVE DIRECTOR

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

I, M. Munisekhar, Managing Director of Secunderabad Healthcare Limited hereby declare that all the Board members and Senior managerial personnel have affirmed for the year ended 31 March 2008 compliance with the code of conduct of the company laid down for them.

M. Munisekhar
Managing Director

Hyderabad
11-08-2008.

Certificate by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

I, M. MUNISEKHAR, Managing Director of M/s. Secunderabad Healthcare Limited certify:

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31 March 2008 and to the best of our knowledge and belief;
 - ❖ These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - ❖ These statements present a true and fair view of the company's affair and are in compliance with the existing accounting standards, applicable laws and regulations.
2. That there are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct;
3. That we accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which we are aware and the steps that we have taken or purpose to take and rectify the identified deficiencies and;
4. That we have informed the auditors and the audit committee 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) There is no 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.

M. Munisekhar
Managing Director

Hyderabad
11-08-2008.

Compliance Certificate on Corporate Governance

To
The Members,
M/s. SECUNDERABAD HEALTHCARE LIMITED

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of corporate governance of M/s. Secunderabad Healthcare Limited ("the company") for the year ended 31st March 2008 as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchanges.

The compliance of the conditions of the corporate governance is the responsibility of the management. Our examination, conducted in the manner described in the Guidance note on Certification of Corporate governance" issued by the Institute of Chartered Accountants of India was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

In our opinion and to the best of our information and explanations given to us and on the basis of our examination described above, the company has complied with the conditions of Corporate Governance as stipulated in clause 49 the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For P. MURALI & CO.,
CHARTERED ACCOUNTANTS

PLACE: HYDERABAD
DATE: 11.08.2008

P. MURALI MOHANA RAO
PARTNER.

AUDITORS REPORT

To
The Members,
M/s. SECUNDERABAD HEALTHCARE LIMITED

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

We conducted audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis of our opinion.

As required by the Companies (Auditor's Report) order 2003 and as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of the sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

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

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit;
- (ii) In our opinion, proper books of account as required by law have been kept by company so far as appears from our examination of those books
- (iii) The Balance Sheet & Profit & Loss Account dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet & Profit & Loss Account dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of Section 211 of Companies Act, 1956;
- (v) On the basis of written representations received from the Directors, as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed Director in terms of clause (g) of sub-section(1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March; 2008;
 - (b) In the case of Profit & Loss Account, of the Profit for the year ended on that date;

And

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

For **P. MURALI & CO.,**
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER

PLACE: HYDERABAD
DATE: 11.08.2008

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) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
- (c) The Company has not disposed off substantial part of the Fixed Assets during the year.
- II. (a) The inventory has been physically verified during the year and in our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of the physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.

The Company is maintaining proper records of inventory and as explained to us, no material discrepancies were noticed on physical verification of stocks as compared to book records.

- III. (a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other Parties covered in the register maintained U/s 301 of the Companies Act, 1956.
- (b) As the Company has not granted any loans, the clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under section 301 is prejudicial to the interest of company, is not applicable.
- (c) As no loans are granted by company, the clause of receipt of interest & principal amount from parties, is not applicable to the company.
- (d) No loans have been granted to Companies, Firms & other parties listed in the register U/s. 301 of the Companies Act, 1956, hence overdue amount of more than rupees one lac does not arise and the clause is not applicable.
- (e) The Company has not taken any loans, secured or unsecured from Companies Firms or other Parties covered in the register maintained U/s. 301 of the Companies Act, 1956.
- (f) As the Company has not taken any loans, the clause of whether the rate of interest & other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 is prejudicial to the interest of company, is not applicable.
- (g) As no loans are taken by the company, the clause of repayment of interest & principal amount to parties, is not applicable to the company.
- IV. In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. There is no continuing failure by the company to correct any major weaknesses in internal control.
- V. (a) In our opinion and according to the information and explanation given to us, since ~~no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have 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 have 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. Since the paid-up capital and Reserve of the Company at the commencement of the financial year was not exceeding Rs. 50 lacs or not having an average annual turnover exceeding five crore rupees for a period of three consecutive financial years immediately preceding the current financial year, hence the clause of having an Internal Audit system commensurate with its size and nature of its business is not applicable.
- VIII. In respect of the Company, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- IX. (a) The Company is regular in depositing statutory dues including PF, Income Tax, 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, Income Tax, 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 the company has no accumulated losses at the end of the financial year and the company has not incurred cash losses in this financial year and in the immediately preceding financial year.
- XI. According to information and explanations given to us, the Company has not taken any loans from Banks or Financial Institutions. Hence this Clause of repayment of dues to financial Institutions or banks or debenture holders and the defaulted payment therein is not applicable to the Company.
- XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII. This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/societies.
- XIV. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- XV. According to the information and explanations given to us, the Company has not given any guarantee

for loans taken by others from banks or Financial Institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company does not arise.

- XVI. According to the information and explanations given to us, the company has not obtained any Term Loans, hence this clause is not applicable.
- XVII. According to the information and explanations given to us, no funds are raised by the Company on short-term basis. Hence the clause of short term funds being used for long-term investment does not arise.
- XVIII. According to the information and explanations given to us the Company has not made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.
- XIX. According to the information and explanations given to us, the company does not have any debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.
- XX. According to information and explanations given to us, the company has not raised money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by Public Issue is not applicable.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

For P.MURALI & CO.,
CHARTERED ACCOUNTANTS

PLACE : HYDERABAD
DATE : 11.08.2008

P. MURALI MOHANA RAO
PARTNER

SECUNDERABAD HEALTHCARE LIMITED

BALANCE SHEET AS ON 31st MARCH 2008

PARTICULARS	SCHEDULE No.S	AS AT 31-03-2008 (Rupees)	AS AT 31-03-2007 (Rupees)
I SOURCES OF FUNDS			
1. Shareholders' Funds			
a. Capital	1	57,696,000	35,596,000
b. Reserves & Surplus		17,433,135	576,021
c. Creditors for Capital Goods			4,433,260
2. Deferred Tax Liability		7,150,476	266,687
TOTAL		82,279,611	40,871,968
II APPLICATION OF FUNDS			
1. Fixed Assets			
a. Gross Block	2	67,364,969	8,269,969
b. Depreciation		2,388,645	437,303
c. Net Block		64,976,324	7,832,666
d. Expenditure Incurred Patents and Intellectual Property.			5,826,145
2. Investments		2,750,000	2,500,000
3. Current Assets, Loans & Advances			
a. Inventories		7,531,546	4,252,138
b. Sundry Debtors	3	13,782,800	5,497,025
c. Cash & Bank Balances	4	2,768,591	696,539
d. Advances & Deposits	5	3,986,623	16,592,085
Less: Current Liabilities, Advances & Provisions	6	13,516,273	2,324,630
NET CURRENT ASSETS		14,553,287	24,713,157
TOTAL		82,279,611	40,871,968
NOTES ON ACCOUNT	7	-	

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

FOR AND ON BEHALF OF THE BOARD
for SECUNDERABAD HEALTHCARE LIMITED

P. MURALI MOHANA RAO
PARTNER

M. MUNISEKHAR
MANAGING DIRECTOR

B. DANIEL SOLOMON
EXECUTIVE DIRECTOR

PLACE: HYDERABAD
DATE : 11-08-2008

SECUNDERABAD HEALTHCARE LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2008

PARTICULARS	SCHEDULE No.S	ENDING 31-03-2008 (Rupees)	ENDING 31-03-2007 (Rupees)
1 INCOME			
Collections		199,300,664	83,923,662
Closing Stock		7,531,546	4,252,138
Other Income		2,429,617	181,790
TOTAL		<u>209,261,827</u>	<u>88,357,590</u>
2 EXPENDITURE			
Opening Stock		4,252,138	1,176,215
Purchases		154,078,535	60,225,290
Administrative & Selling Expenses		22,109,939	6,974,836
Interest & Bank Charges		76,211	8,109
Depreciation		1,951,343	437,303
TOTAL		<u>182,468,165</u>	<u>68,821,753</u>
3 PROFIT BEFORE TAX		26,793,662	19,535,837
4 PROVISION FOR TAXATION		3,051,409	1,693,504
5 PROFIT AFTER TAX		23,742,253	17,842,333
6 PRIOR PERIOD ADJUSTMENTS		1,350	
7 DEFERRRED TAX LIABILITY		(6,883,789)	(266,687)
8 BALANCE BROUGHT FORWARD		576,021	(16,999,625)
9 BALANCE CARRIED FORWARD		17,433,135	576,021
Earnings per Share		6.67	5.01
Notes on Accounts	7		-

AS PER OUT REPORT OF EVEN DATE
for P. MURALI & Co.,
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD
for SECUNDERABAD HEALTHCARE LIMITED

P. MURALI MOHANA RAO,
PARTNER

M. MUNISEKHAR
MANAGING DIRECTOR

B. DANIEL SOLOMON
EXECUTIVE DIRECTOR

PLACE: HYDERABAD
DATE : 11-08-2008

SECUNDERABAD HEALTHCARE LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31-03-2008

SCHEDULE 1 SHARE CAPITAL

PARTICULARS	AS AT 31-03-2008 (Rupees)	AS AT 31-03-2007 (Rupees)
AUTHORISED		
5000000 Equity Shares of Rs. 10/- each current year	<u>50,000,000</u>	<u>40,000,000</u>
4000000 Equity Shares of Rs. 10/- each early year		
ISSUED, SUBSCRIBED & PAID-UP		
3559600 Equity Shares of Rs. 10/- Each	35,596,000	35,596,000
Share warrants	22,100,000	-
	<u>57,696,000</u>	<u>35,596,000</u>

**SCHEUDLE 3
SUNDRY DEBTORS**

Debts not exceeding six months	13,782,800	5,497,025
	<u>13,782,800</u>	<u>5,497,025</u>

**SCHEUDLE 4
CASH & BANK BALANCES**

Cash on hand	419,352	176,134
Balance with Scheduled Banks	2,349,239	520,405
	<u>2,768,591</u>	<u>696,539</u>

**SCHEUDLE 5
ADVANCES & DEPOSITS**

Advances	3,986,623	16,592,085
	<u>3,986,623</u>	<u>16,592,085</u>

**SCHEUDLE 6
CURRENT LIABILITIES, ADVANCES & PROVISIONS**

Sundry Creditors	9,332,316	
Outstanding Expenses & Provisions	4,183,957	2,324,630
	<u>13,516,273</u>	<u>2,324,630</u>

SECUNDERABAD HEALTHCARE LIMITED

SCHEDULE 2
FIXED ASSETS

(Rupees)

DESCRIPTION OF ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	BLOCK as at 01-04-2007	Additions During the Year	Adjustments During the Year	Block as at 31-03-2008	UPTO 31-03-2007 Year	During the Year	Adjustments During the Year	Total as at 31-03-2008	as at 31-03-2008	as at 31-03-2007
Plant & Machinery	8051509	8526475		16577984	426931	874781		1301712	15276272	7624578
Furniture & Fixtures	218460			218460	10371	13829		24200	194260	208089
Patents & Intellectual Property		5826145		5826145		140266		140266	5685879	
Pollution Control Equipment		11659880		11659880		138461		138461	11521419	
Computers / Software & Pheriperals		33082500		33082500		784005		784005	32298495	
	8269969	59095000		67364969	437302	1951343		2388645	64976324	7832667

SCHEDULE -7 NOTES FORMING PART OF THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

General:

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

Revenue Recognition:

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

Investments:

Investments are stated at cost i.e. cost of acquisition, inclusive of expenses incidental to acquisition wherever applicable.

Fixed Assets:

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

Depreciation and Amortisation:

- (i) Depreciation is provided on straight line method on pro-rata basis and at the rates and manners specified in the Schedule XIV of the Companies Act, 1956.
- (ii) Preliminary Expenses are amortised over the period of 10 years.
- (iii) Public Issue Expenses are amortised over the period of 10 years.

Inventories:

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

Taxation:

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

Earning Per Share:

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

Gratuity:

No provision for gratuity has been made as no employee has put in qualifying period of service for entitlement of this benefit.

B. NOTES ON ACCOUNTS

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

NIL

2. Director's Remuneration:	Current Year (Rs.)	Previous Year (Rs.)
	6,36,000/-	112,000/-
3. Auditor's Remuneration:	Current Year (Rs.)	Previous Year (Rs.)
	56,257/-	25,000/-

4. Detailed information regarding quantitative particulars under part II of Schedule VI to the Companies Act, 1956.

(AS PER DETAILS ENCLOSED)

- 5. There are no dues to SSI Units outstanding for more than 30 days.
- 6. Confirmations were obtained from debtors / creditors as to the balances receivable from/payable to them as at year end.

In accordance with Accounting Standard 22 (AS 22) issued by the ICAI, the Company has accounted for deferred income tax during the year. The deferred income tax provision for the current year amounts to Rs. 6883789/- towards deferred income tax Liability. (Previous year Rs. 266678/- towards deferred income tax Liability).

- 8. Previous years figures have been regrouped wherever necessary.
- 9. The figure have been rounded off to the nearest rupee.

SIGNATURES TO SCHEDULES 1 To 7

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

For and on behalf of the Board
SECUNDERABAD HEALTHCARE LIMITED

P. MURALI MOHANA RAO
PARTNER

M. MUNISEKHAR
MANAGING DIRECTOR

B. DANIEL SOLOMON
EXECUTIVE DIRECTOR

PLACE : HYDERABAD
DATE : 11.08.2008

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2008

(Rs. In lakhs)

	Curent Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/ (Loss) before taxation, and extraordinary Items	267.93	195.36
Adjustments for:		
Depreciation	19.51	4.37
Interest expenses	0.76	0.08
Preliminary Expenses W/o		-
Operating Profit before working capital changes	288.20	199.81
Trade and other receivables	43.20	-102.37
Inventories	(32.79)	-30.76
Trade payables	81.40	0.12
Cash generated from operations	380.01	66.80
Interest paid	(0.76)	(0.08)
Expenditure on patents	58.26	-
		66.72
NET CASH FLOW OPERATING ACTIVITIES	437.51	66.72
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(590.95)	- 82.70
Sale / adjustment of Fixed Assets investments	(2.50)	-25.00
NET CASH USED IN INVESTING ACTIVITIES	-593.45	-107.70
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Net off share capital	221.00	-
Creditors for capital Goods		44.33
Advances and Deposits / Secured Loans	(44.33)	-
Unsecured Loans		
NET CASH USED IN FINANCING ACTIVITIES	176.67	44.33
NET INCREASE IN CASH AND CASH EQUIVALENTS	20.73	3.35
Cash and Cash equivalents as at (Opening Balance)	6.96	3.61
Cash and Cash equivalents as at (Closing Balance)	27.68	6.96

FOR AND ON BEHALF OF THE BOARD
for SEUNDERABAD HEALTHCARE LIMITED

PLACE : HYDERABAD
DATE : 11-08-2008

M. MUNISEKHAR
MANAGING DIRECTOR

B. DANIEL SOLOMON
EXECUTIVE DIRECTOR

To
The Board of Directors
Secunderabad Healthcare Limited

We have examined the attached Cash Flow Statement of M/s Secunderabad Healthcare Limited for the year ended 31st March, 2008. The Statement has been prepared by the company in accordance with the requirement of Clause 32 of listing agreement with stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 11-08-2008 to the member of the Company.

for P. MURALI & CO.,
CHARTERED ACCOUNTANTS

(P. MURALI MOHANA RAO)
PARTNER

PLACE : HYDERABAD
DATE : 11-08-2008

Statement Pursuant to party IV of Schedule VI to the Companies Act, 1956:

Balance Sheet Abstract and Company's General Business Profile

I. REGISTRATION DETAILS

Registration No. State Code

Balance Sheet Date

Date Month Year

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

PUBLIC ISSUE <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>	RIGHTS ISSUE <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>
BONUS ISSUE <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>	PRIVATE PLACEMENT <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/>

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

TOTAL LIABILITIES <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="9"/>	TOTAL ASSETS <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="9"/>
SOURCE OF FUNDS	
PAID - UP CAPITAL <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="6"/>	RESERVES & SURPLUS <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="3"/>
SECURED LOANS <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>	UNSECURED LOANS <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>
	DEFERED INCOME TAX <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="3"/>
APPLICATION OF FUNDS	
NET FIXED ASSETS <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="7"/> <input type="text" value="6"/>	INVESTMENTS <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="0"/>
NET CURRENT ASSETS <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="3"/>	MISC. EXPENDITURE <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>
ACCUMULATED LOSSES <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>	

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

TURNOVER <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="0"/>	TOTAL EXPENDITURE <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="8"/>
+ - <input type="text" value=""/> <input type="text" value=""/>	+ - <input type="text" value=""/> <input type="text" value=""/>
PROFIT /LOSS BEFORE TAX <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="9"/> <input type="text" value="3"/>	PROFIT /LOSS AFTER TAX <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="2"/>
EARNING PER SHARE IN RS. <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="7"/>	DIVIDEND RATE % <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF COMPANY

Item Code No. (ITC Code)

PRODUCT DESCRIPTIONS

for and on behalf of the Board
for SECUNDERABAD HEALTHCARE LIMITED

PLACE : HYDERABAD
DATE : 1.-08-2008

M. MUNISEKHAR
MANAGING DIRECTOR

B. DANIEL SOLOMON
EXECUTIVE DIRECTOR

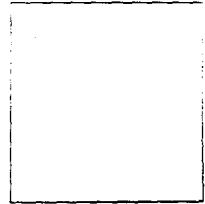
SECUNDERABAD HEALTHCARE LIMITED

Flat No.402, Mahitha Enclave, Madhuranagar, Hyderabad-500 038.

PROXY FORM

I/We of being a member/ members of the above named company hereby appoint of as my/our proxy to vote for me/us on my/our behalf at the 17th Annual General Meeting of the company to be held on Monday, the 29th September, 2008 at 2.00 PM at Sundaraiah Vigna Kendram, Mini Hall, Baghlingampally, Hyderabad and at any adjournment thereof.

Signed this day of 2008.



- NOTE :
- a) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself.
 - b) Proxy need not be a member.
 - c) The proxy form duly completed should be deposited at the registered office of the company not less than 48 hours before the time fixed for holding the meeting.

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

SECUNDERABAD HEALTHCARE LIMITED

Flat No.402, Mahitha Enclave, Madhuranagar, Hyderabad-500 038.

ATTENDANCE SLIP

(Please present this slip at the entrance of the meeting venue)

Regd. Folio

Shares held

I hereby record my presence at the 17th Annual General Meeting of the company to be held on Monday, the 29th September, 2008 at 2.00 PM at Sundaraiah Vigna Kendram, Mini Hall, Baghlingampally, Hyderabad

Name of the Shareholder :

Name of the Proxy :

Signature of member/proxy :

Note : 1) To be signed at the time of handing over this slip. Members are requested to register their names at least 15 minutes prior to the commencement of the meeting.



SECUNDERABAD HEALTHCARE LIMITED

402, Mahitha Enclave, Madhura Nagar, Hyderabad - 38.