



SECUNDERABAD

HEALTHCARE LIMITED

INNOVATION IS OUR FUTURE

20TH ANNUAL REPORT

2010-2011

SECUNDERABAD
HEALTHCARE LIMITED

20th ANNUAL REPORT
2010-2011

SECUNDERABAD HEALTHCARE LIMITED
(Regd Office: S 1 – Vimal, Road No. 5, Jubilee Hills, Hyderabad 500033.)

CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. SOLOMON DANIEL BONDUGULA	: CHAIRMAN & MANAGING DIRECTOR
MR. RAJARAM ARJUN RAMBADE	: EXECUTIVE DIRECTOR
MR. MEDASANI MUNISEKHAR	: NON-EXECUTIVE DIRECTOR
MR. SURENDRA NAIDU RAYAPATI	: INDEPENDENT NON-EXECUTIVE DIRECTOR
MR. SHAH SHARAD TEJSHI	: INDEPENDENT NON-EXECUTIVE DIRECTOR
MR. THAKUR RAMESH SINGH CHOUHAN	: INDEPENDENT NON-EXECUTIVE DIRECTOR
MR. AMIT TARACHAND SHAH	: ADDITIONAL INDEPENDENT NON-EXECUTIVE DIRECTOR
MR. JIGAR PREMCHAND MOTTA	: ADDITIONAL INDEPENDENT NON-EXECUTIVE DIRECTOR
MR. VINAY MADHUKAR GANU	: ADDITIONAL EXECUTIVE DIRECTOR
MR. VENUGOPAL RAO BRAHMANAPALI	: SECRETARY

BANKERS

DEVELOPMENT CREDIT BANK LTD
ICICI BANK LTD
YES BANK LTD
CENTRAL BANK OF INDIA
ING VYSYA BANK LTD

AUDITORS

D.P. AGARWAL & Co,
CHARTERED ACCOUNTANTS,
BILQUEES MANTION, 4TH FLOOR,
261/263, D.N.ROAD, FORT,
MUMBAI- 400001

REGISTERED OFFICE

S 1 - VIMAL, ROAD NO. 5, JUBILEE HILLS,
HYDERABAD- 500 033 .

SHARE TRANSFER AGENTS

AARTHI CONSULTANTS PRIVATE LIMITED
1-2-285, DOMALGUDA,
HYDERABAD - 500 029.

LISTED AT

BOMBAY STOCK EXCHANGE LIMITED

SECUNDERABAD HEALTHCARE LIMITED

(Regd Office: S 1 – Vimal, Road No. 5, Jubilee Hills, Hyderabad 500033.)

CONTENTS:

- ▲ Chairman's Speech
- ▲ Directors report
- ▲ Corporate Governance Report
- ▲ Code of Conduct & CEO/CFO certification
- ▲ Compliance Certificate on Corporate Governance
- ▲ Management Discussion & Analysis
- ▲ Auditors report
- ▲ Balance sheet
- ▲ Profit & loss Account
- ▲ Schedules & Notes on Account
- ▲ Cash flow statement

► CHAIRMAN'S SPEECH

To,
The Shareholders,

A very warm welcome to all our valued stakeholders who have been associated with the company. This is the 20th year in the journey of the Secunderabad Healthcare Limited.

Our world grows more complex everyday and we encounter increased challenges. The management and staff of Secunderabad Healthcare Limited have faced challenges for more than 19 years, and have overcome them with commitment, hard work and are confident that we will continue to do so in the years ahead. Through all these years, our Company has faced many tough times and enjoyed equal moments of glory. Everything is worth it, if one is able to create lasting values and strong core.

In the past too, there has been sharp swings in the business cycles and there will be more of these in the future, though hopefully not of the magnitude and ferociousness we are seeing today. And each time in the past we have come out of the eye of the storm, we have emerged fitter, stronger and the passion for innovation is vibrant and urgent. We have been able to create a foundation, which is enabling us to overcome times such as now and helping us to adapt to the current situation while retaining the strength to fulfill the long -term vision.

Our demanding standards of governance have set us apart, even more, now, and in the future. Clearly investors and employees will appreciate and learn to value and differentiate between organizations like ours. This is a huge strength, built over time into our genetic coding. It will always stand us in good stead.

We, at Secunderabad Healthcare Limited, remain steadfast in our vision of making it one of the best healthcare and related services providers and this vision positions us in an industry where the gap, between demand for quality healthcare and requirement to meet that demand, remains enormous. Asian countries are becoming important markets for healthcare companies, as the demand for quality healthcare increases in parallel with economic growth. We recognize this opportunity and are working towards capitalizing the enormous potential envisaged in this industry. To further our growth, we are also commencing few new line of business as mentioned in notice earlier. Confidence in our product will further accelerate the success rate in the upcoming years.

At this juncture, I would take the opportunity of placing on record the appreciation for the services rendered by the human resources of the Company. Your company believes that the most valuable asset of any organization is the quality of the Human Resources. It is they who make the organization worth in the eyes of all the stakeholders. Thus your Company has always placed emphasis on our people and the safety at the workplace Thus I take this opportunity to thank them for their efforts and continued support and excellent work

Date: 1st September, 2011
Place: Hyderabad

Sd/-
Solomon Daniel Bondugula

(Chairman Of The Board)

SECUNDERABAD HEALTHCARE LIMITED

DIRECTORS REPORT

To,
The Shareholders,

Your Directors have the pleasure in presenting their Twentieth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2011.

This year the Company completed its nineteenth year of operations. Market conditions have been challenging. However your Company has always been working through this demanding situation to ensure that the viable products can move forward. In some cases we have been successful and in some, we have not been able to achieve the desired success as expected.

However in order to ensure that the Company's growth is not hindered, it is venturing into new lines of businesses in addition to the present business activities undertaken by it. The Management of the Company is hopeful that the efforts undertaken by them would meet with the desired level of success in the years to come.

↗ FINANCIAL RESULTS:

The financial performance of the Company, for the year ended March 31, 2011 is summarised below:
(Rs in lakhs)

Particulars	2010-2011	2009-2010
	Amount	Amount
Income	5894.13	2011.30
Profit before tax	25.31	25.88
Provision for tax	5.10	4.05
Profit After tax	20.21	21.84

↗ RESULTS OF OPERATIONS:

During the year under the review i.e. March 31, 2011 the Company has achieved a total income aggregating to Rs. 5894.13 lacs as compared to Rs. 2011.30 lacs in the previous financial year ended March 31, 2010, an increase of 200% as compared to the previous year. This achievement is a result of extensive efforts put in by the management for growing revenue, improving gross margins and generating efficiencies through increased productivity and leveraging scale.

Further the company posted a net profit of Rs. 25.31 lacs for the financial year ended March 31, 2011 which is slightly less as compared to that earned during the year ended March 31, 2010. The decrease in the amount of Net Profit can be attributed to the mounting direct expenses incurred by Company. Further after making the necessary provisions for tax, the Company's net profit stands at Rs. 20.21 lacs.

With the anticipated revival of the economy, your Directors are hopeful of better performance in the future years.

↗ OUTLOOK:

Your Board of Directors proposes to diversify the activities of the Company with a view to broad basing its activities and making it more resilient. In view of the bright prospects and with the rich experience of the senior executives of the Company, the Company feels that it can conveniently venture into business of Investment Company, its allied activities and other areas more elaborately described in the explanatory statement given in notice, which are to be read independently.

The Company is empowered by the existing object clause 1 & 4 in the Memorandum of Association to trade and deal in chemicals and alkalis (whether by wholesale or retail) and which would include

SECUNDERABAD HEALTHCARE LIMITED

all kinds of drugs, chemical, acids, medical and chemical preparation. The Board is satisfied that the proposed business can be undertaken conveniently and advantageously with the existing business of the Company.

↗ DIVIDEND:

Your Directors do not recommend Dividend for the year ended March 31, 2011 with a view to conserve the financial resources of the Company.

↗ DIRECTORS:

During the year, Mr. Vasudev Reddy Guda resigned from the directorship of the Company with effect from September 1, 2010 and his resignation was accepted by the Board of directors with immediate effect. Further the Board appointed Mr. Vinay Ganu as the Executive Director of the Company on 14th October, 2011.

The Board wishes to place on record its appreciation for the valuable contribution rendered by Mr. Vasudev Reddy Guda during his long association with the Company.

Further Mr. Medasani Munisekhar & Mr. Thakur Ramesh Singh Chouhan, Directors of the company, are due for retirement by rotation and are eligible for re-appointment. Also, Mr. Amit Shah, Mr. Jigar Motta & Mr. Vinay Madhukar Ganu are appointed during the year under section 260 of the companies act, 1956, as the Additional directors of the company.

Your Directors commends their re- appointment as the Directors of the Company.

↗ SUSTAINABILITY:

Your Company has at a unified and centralized level, put in place a Corporate Social Responsibility (CSR) policy which is based on a belief that a Business cannot succeed in a society that fails and therefore it is imperative for business houses, to invest in the future by taking part in social-building activities.

Corporate Social Responsibility (CSR, also called corporate conscience, corporate citizenship, social performance, or sustainable responsible business) is a form of corporate self regulation integrated into a business model. CSR is the deliberate inclusion of public interest into corporate decision-making that is the core business of the company or firm, and the honoring of a triple bottom line: people, planet, profit. The goal of CSR is to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere.

↗ SUBSIDIARY:

The Company does not have any subsidiary Company within the meaning of section 4 of the Companies Act, 1956. Thus furnishing of the statement pursuant to the provisions of Section 212 of the Companies Act, 1956 is not required

↗ DISCLOSURE OF CHANGES IN THE CAPITAL STRUCTURE:

During the year under review, 4,00,96,000 Equity Shares were issued in lieu of the Convertible Equity shares on 2nd March, 2011 by the Company consequent to the payment of entire consideration and upon exercise of the option of conversion by the allottees

Consequent to the afore-said issue of shares, the paid- up share capital of the Company stands at Rs. 43,85,56,000 divided into 4,38,55,600 Equity Shares of Rs. 10/- each. Further the conversion of 3,99,04,000 Warrants is pending as on date.

Post conversion the paid- up share capital of the company would stand at Rs. 83,75,96,000 divided into 8,37,59,600 equity shares of Rs. 10/- each.

SECUNDERABAD HEALTHCARE LIMITED

↗ PUBLIC DEPOSITS AND LOANS/ADVANCES:

During the year under review, your Company has not invited or accepted any deposits from the public pursuant to the provisions of Section 58A of the Companies Act, 1956; and therefore, no amount of principal or interest was outstanding in respect of deposits from the public as of the date of Balance Sheet.

↗ MANAGEMENT DISCUSSION & ANALYSIS:

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, the Management Discussion & Analysis is given separately and forms part of this Annual Report.

▶ CORPORATE GOVERNANCE:

Pursuant to clause 49 of the Listing Agreement, Corporate Governance Report forms part of the Annual Report along with the compliance certificate on the conditions laid down in clause 49 of the Listing Agreement.

↗ DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the annual accounts for the year ended March 31, 2011, the applicable accounting standards read with requirements set out under Schedule VI of the Companies Act, 1956, have been followed and there are no material departures from the same;
- (ii) The Directors have selected such accounting 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 as at March 31, 2011 and of the profit of the Company for the year ended on that date;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The Directors have prepared the annual accounts of the Company on a 'going concern' basis.

▶ AUDITORS:

M/s. D. P. Agarwal & Co. retires at the ensuing Annual General Meeting and are eligible for re-appointment.

As required under the provisions of section 224(1B) of the Companies Act, 1956, the Company has obtained a written certificate from the Auditors to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

Your Directors request you to appoint Auditors for the current financial year and fix their remuneration.

SECUNDERABAD HEALTHCARE LIMITED

▶ AUDITORS REPORT:

The Auditors' Report to the shareholders on the Accounts of the Company for the financial year ended March 31, 2011 does not contain any qualification.

Further the observations furnished by the Auditors in their report are self-explanatory and do not call for any further comments.

↗ CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION , FOREIGN EX-CHANGE EARNINGS AND OUTGO:

In view of the nature of the activities which are being carried on by the company, Rules 2A & 2B of the companies (disclosure of particulars in the report of the Board Of Directors) Rules, 1988, concerning conservation of energy and technology absorption respectively , are not applicable to the company.

During the year under review, the company had no foreign exchange earnings. The company has not spent any foreign exchange on any account.

↗ PARTICULARS OF EMPLOYEES:

There are no employees who are in receipt of emoluments in excess of the limits prescribed under section 217(2A) of the companies act, 1956 during the year ended 31st March, 2011.

↗ LISTING:

The Bombay Stock Exchange Limited
P J towers, 25th Floor,
Dalal Street,
Mumbai- 400 001

↗ ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation for the continued support and co-operation by Financial Institutions, Banks, Government authorities and other stakeholders. Your Directors also acknowledge the support extended by the Company's Unions and all the employees for their dedicated service. Your Directors would also like to thank you for the support and faith you have shown in us, and look forward to a fruitful relationship in the years to come.

Your Directors also thank the Members of the Board for their insight and guidance and for their contribution in the success of the Company. Your Directors also place on record their deep sense of appreciation for the services rendered by the employees of the Company.

For and on Behalf of the Board of Directors
For Secunderabad Healthcare Limited

Place : Hyderabad
Date : 1st September, 2011 .

Sd/-
Solomen Deneil Bondugula
(Chairman)

► MANAGING DIRECTOR CERTIFICATION

I, Solomon Daniel Bondugula, Managing Director of the Company do hereby certify that:

- a. I have reviewed the financial statements and Cash flow statement for the year ended 31st March, 2011 and to the best of my knowledge and belief:
- ✱ These statements do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading;
 - ✱ These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. To the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2011 are fraudulent, illegal or violative of the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financing reporting and I have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which I am aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies;
- d. i) There has not been any significant change in internal control over financial reporting during the year under reference;
- ii) There has not been any significant change in Accounting policies during the year; and
- iii) Instances of significant fraud, if any of which we have become aware, and involve ment therein, if any, of the management or an employee having a significant role in Companies internal control system over financial reporting shall be disclosed.

For and on Behalf of the Board of Directors
For Secunderabad Healthcare Limited

Sd/-

Place : Hyderabad
Date : 1st September, 2011 .

Solomon Daniel Bondugula
(Chairman)

► GREEN INITIATIVE

Ministry of Corporate Affairs has taken a Green Initiative in Corporate Governance allowing paperless compliances by companies through electronic mode. Your Company has taken initiative to update their records for the same. The members holding shares in physical form and who have not furnished the requisite information and who wish to avail of the facility to receive the correspondence from the Company in electronic mode may furnish the information to Aarthi Consultants Private Limited, the Registrars and Transfer Agents. The members holding shares in electronic form may furnish the information to their Depository Participants to avail of the said facility.

► CORPORATE GOVERNANCE REPORT

↗ CORPORATE GOVERNANCE

It is the set of processes, customs, policies, laws, and institutions affecting the way a corporation (or company) is directed, administered or controlled. An important theme of corporate governance is the nature and extent of accountability of particular individuals in the organization, and mechanisms that try to reduce or eliminate the principal-agent problem. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the corporation is governed. In contemporary business corporations, the main external stakeholder groups are shareholders, debtholders, trade creditors, suppliers, customers and communities affected by the corporation's activities. Internal stakeholders are the Board of Director, executives, and other employees.

↗ COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is to conduct its business in a manner, which is ethical and transparent with all the stakeholders in the Company, including shareholders, lenders, creditors and employees. The Company operates in compliance with all the regulatory and policy requirements as well as industry ethical standards. Your Company continues its endeavor to enhance its stakeholder's value by protecting their interest by ensuring performance at all the levels, and maximizing returns with minimal use of resources in its pursuit of excellence in corporate life.

I. BOARD OF DIRECTORS

► Composition of the Board

The Board of Directors of the Company consists of a combination of Executive Directors and Non-Executive Directors. The Executive Directors play an important role in the functioning and operations of the Company, whereas the Non- executive Directors of the Company exercises their independent expertise upon the Board. At present the Board of directors of the Company consists of in all 9 Directors, of which 4 are Executive Director and 5 are Non- Executive independent directors.

The Composition of the Board of Directors along with their position on the Boards of other Companies and committee memberships are as follows:

SECUNDERABAD HEALTHCARE LIMITED

Sr. No.	Name of the Directors	Category Of Director	Attendance in Board meetings		Attendance In the last AGM	Other Board		
			Held	Attended		Directorship	Committee Chairmanship	Committee membership
1	Medasani Munisekhar	Promoter Non-Executive	10	10	Yes	1	0	0
2	Surendra Naidu Ravapati	Independent Non-Executive Director	10	9	Yes	0	0	0
3	Rajaram Rambade	Executive director	10	10	Yes	0	0	0
4	Solomen Daniel Bondugula	Chairman - Managing Director	10	10	Yes	0	0	0
5	Vinay Madhukar Ganu	Executive - Additional Director	3	3	N.A	0	0	0
6	Amit Shah	Additional Independent Director	0	0	N.A	1	0	1
7	Jigar Motta	Independent Additional director	0	0	N.A	1	0	1
8	Shah Sharad Tejshi	Independent Non-Executive Director	10	3	Yes	0	0	0
9	Thakur Ramesh Singh Chouhan	Independent non-executive director	10	10	Yes	2	0	0
10	# Vasudev Reddy Guda	Non- Executive Director	6	6	Yes	0	0	0

Notes:

✳ # Resigned as a Director of the Company with effect from 1st September, 2010

✳ None of the Directors of the Company is a member of more than 10 committees and chairman of five committees across all the Companies in which he is a Director. (This includes directorships in Public Limited Companies and subsidiaries of Public Limited Companies and excludes directorships in Private Limited Companies, Overseas Companies and Companies u/s 25 of the Companies Act, 1956).

✳ This relates to the Committees referred to in Clause 49 of the Listing Agreement viz., Audit Committee and Investor Grievance Committee.

✳ None of the Directors are related inter-se

SECUNDERABAD HEALTHCARE LIMITED

► Details of the Board Meetings held during the year

The Board of Directors of the Company meets frequently at regular intervals in order to discuss any important agenda of the Business. During the year under review, the Board of Directors of the Company met 10 times in all and the maximum gap between two Board meetings did not exceed 4 months.

Following are the dates on which the Board meetings were held during the year:

- ⇒ 12th April , 2010,
- ⇒ 14th May, 2010,
- ⇒ 31st May, 2010,
- ⇒ 22nd July, 2010,
- ⇒ 2nd August, 2010,
- ⇒ 12th August, 2011,
- ⇒ 14th October, 2010,
- ⇒ 10th November, 2010,
- ⇒ 14th February, 2011,
- ⇒ 2nd March, 2011 .

► Change in Designation of the Directors.

- ⇒ During the year ended 31st March, 2011, the Designation of Mr. Medasani Munishekar was changed from Managing Director to a Non- Executive Director of the Company liable to retire by Rotation.
- ⇒ During the year ended 31st March, 2011, the Designation of Mr. Solomon Daniel Bondugula was changed from an Executive Director to a Managing Director

► Directors retiring by Rotation or seeking Re- appointments

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Thakur Ramesh Singh Chauhan and Mr. Medasani Munishekar retire by Rotation, and being eligible offer themselves for re- appointment.

Further, Mr. Vinay Ganu, Mr. Jigar Motta and Mr. Amit Shah have been appointed as the Additional directors on the Board. The Board of Directors of the Company places on record their appreciation for the services rendered by them and commends their appointment

↗ Mr. Vinay Madhukar Ganu

During the year, we recommend the induction of Mr. Ganu to the Board. A person of extraordinary capabilities, Mr. Ganu has pursued his M.B.A (MIS & Finance) from the prestigious university of California and had an illustrious career in various industry like finance, technical, marketing and human resource management. Mr. Ganu has also undertaken a variety of consulting assignments in the field of investment banking, corporate finance, databases, user interface design and systems integration. Mr. Ganu has handled large teams of programmers and project leaders both in the US and in India.

Thus the Board of directors is of the opinion that, if re- appointed his knowledge and experience can be utilized for utilized for taking the Organization to higher echelons.

Thus the Board commends his appointment on the Board of the Company.

↗ Mr. MuniSekhar Medasani

Mr. Munishekar , promoter non-executive director of the company, aged 47 years has 17 years of experience in the areas of finance, administration, marketing, legal and procurements. He has completed his M.B.A. in finance. As a director of the Company, he has always extended his valuable opinion and knowledge.

SECUNDERABAD HEALTHCARE LIMITED

Thus the Board commends his re- appointment on the Board of the Company.

- ↗ Mr. Thakur Ramesh Singh Chauhan
Mr. Thakur Ramesh Singh Chauhan ,Independent Non-Executive Director of the company , aged 51 has pursued his Medical Degree from Jipmer and he is an Oncologist by profession with double Ph.D and vast experience in medicine, research and technology. As a director of the Company, he has always extended his valuable opinion and knowledge.

Thus the Board commends his re- appointment on the Board of the Company.

- ↗ Mr. Jigar Motta
Mr Jigar Motta aged 38 years is a B com graduate and has experience in handling of the Marketing Activities. The Board is of the Opinion that his appointment of the Board would prove to be beneficial in the interests of the Company. Thus the Board of Directors commends his appointment on the Board of the Company

- ↗ Mr. Amit Shah
Mr. Amit Shah aged 34 years is a person having vast knowledge in the field of Human Resources. He has a knack in Recruitment related activities. Further, as an individual he also has a keen interest in making investments in the capital markets.

Thus the Board is of the Opinion that his association with the Company would prove to be beneficial in the interests of the Company.

Thus the Board commends his appointment on the Board of Directors of the Company.

II. BOARD COMMITTEES

A. Audit Committee

The Audit Committee of the Company has been constituted in line with the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges read with section 292A of the Companies Act, 1956

- ▶ The Terms of Reference of the Audit Committee are broadly as under:
- ↗ Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - ↗ Review with the management performance of statutory auditor & internal Auditor.
 - ↗ Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
 - ↗ Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - ↗ Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - ↗ Any other reference as may be included from time to time in clause 49 of the Listing Agreement.

▶ Composition of the Audit Committee

During the Financial year ended 31st March, 2011, the members of the Audit Committee met 5 times in all i.e. on 3th April, 2010, 22nd July, 2010, 2nd August, 2010, 30th October, 2010 and 4th February, 2011 and their attendance is as under:

SECUNDERABAD HEALTHCARE LIMITED

Sr.No.	Name of the members	Category	Chairman/ Member	Meetings attended
1	Mr. Surendra Naidu Rayapati	Independent	Chairman	5
2	Mr. Thakur Ramesh Singh Chouhan	Independent	Member	5
3	Mr. Solomen Daniel Bondugula	Executive	Member	5

B. Shareholders/ Investor Grievance Committee

The Company has a Shareholders/ Investor Grievance Committee of Directors and the main area of operations include the following:

- ↗ Transfer of shares.
- ↗ Issue of duplicate certificate pursuant to sub-division and consolidation of share.
- ↗ Shareholders grievances & its redressal.

In all 4 Meetings of the Committee was held during the year ended 31st March, 2011.

Composition of the Committee

Sr. No.	Name of the Members	Category	Chairman/ Member
1	Mr. Surendra Naidu Rayapati	Independent	Chairman
2	Mr. Thakur Ramesh Singh Chouhan	Independent	Member
3	Mr. Rajaram Arjun Rambade	Executive	Member

Status of Investor Complaints received by the Company

Name and designation of the compliance Officer : Mr. Solomen Daniel Bondugula
 No. of complains received during the year : Nil
 Number of shares pending : Nil

C. Remuneration Committee

The terms of reference of the Remuneration Committee are considering the matters relating to the company's policies on remuneration packages to the Executive Director, Sitting Fees payable to the directors and commission to be paid to them in case of adequacy of profits under the provisions of law. The aforesaid committee has met once in a year.

Sr. No.	Name of the Members	Category	Chairman/ Member	Meetings attended
1	Mr. Thakur Ramesh Singh Chouhan	Independent	Chairman	1
2	Mr. Surendra Naidu Rayapati	Independent	Members	1
3	Mr. Rajaram Arjun Rambade	Executive	Members	1

Remuneration Policy

The Board of Directors of the Company follows a policy of payment of remuneration to the Executive Directors of the Company and such remuneration is driven by the success and performance of the individual director of the Company

During the year ended 31st March, 2011, no remuneration was paid to any director of the Company.

SECUNDERABAD HEALTHCARE LIMITED

III. DISCLOSURES BY THE MANAGEMENT

↗ Remuneration Policy

There are no Related Party Transactions during the year as are required to be given as per the Accounting Standard-18 issued by the Institute of Chartered Accountants of India.

↗ Disclosure of Accounting Treatment

The Company follows the Accounting Standards as notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and in the preparation of the financial statements, the Company has not adopted treatment different from that prescribed in any of the Accounting Standards

↗ Prohibition/ Penalties

During the last three years, there were no prohibition or penalties imposed on the Company either by Stock Exchange or by SEBI or any statutory authority for non-compliance on any matter related to capital markets.

↗ Proceeds of Preferential Allotment

During the year under review, 4,00,96,000 Equity Shares were issued in lieu of the Convertible Equity shares on 2nd March, 2011 by the Company consequent to the payment of entire consideration and upon exercise of the option of conversion by the allottees

Consequent to the afore-said issue of shares, the paid- up share capital of the Company stands at Rs. 43,85,56,000 divided into 4,38,55,600 Equity Shares of Rs. 10/- each. Further the conversion of 3,99,04,000 Warrants is pending as on date.

Post conversion the paid- up share capital of the company would stand at Rs. 83,75,96,000 divided into 8,37,59,600 equity shares of Rs. 10/- each.

The proceeds raised through preferential allotment conducted in the year 2009-2010 has been utilized towards modernization, Upgradation programme and also to meet the working capital requirement of the company

IV. SECRETARIAL AUDIT

Pursuant to Clause 47 (c) of the Listing agreement with the Stock Exchanges, certificates on half yearly basis, have been issued by a Practicing Company Secretary for due compliance of share transfer formalities by the Company.

Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been issued by a Practicing Company Secretary for timely dematerialization of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.

V. CODE OF CONDUCT

The Board of Directors of the Company had laid down a Code of Conduct for all Board Members and Senior Management of the Company. This code is derived from the principles of good corporate governance, good corporate citizenship and high ethical standards and is applicable to all Directors, Senior Management and Employees of the Company.

VI. PREVENTION OF INSIDER TRADING

The Company has framed a Code of Conduct for prevention of insider trading based on SEBI (Insider Trading) Regulations, 1992. This Code is applicable to all Directors/officers/ designated employees. The Code ensures the prevention of dealing in Company's shares by persons having access to unpublished price sensitive information.

SECUNDERABAD HEALTHCARE LIMITED

VII. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report appearing elsewhere is prepared in accordance with the requirements laid down under clause 49 of the Listing Agreement forms part of the Annual Report.

IX. SHAREHOLDERS INFORMATION

(a) Location and time where the AGM / EGM of the last 3 preceeding years were held.

Year	AGM/EGM	Location	Date & time
2009-2010	AGM	Sundaraiah Vignana Kendram (Mini Hall), Baghlingam-pally, Hyderabad-500 044.	9th September, 2010 at 2.00 P.M
2008-2009	AGM	Sundaraiah Vignana Kendram (Mini Hall), Baghlingam-pally, Hyderabad-500 044.	25th September, 2009 at 2.00 P.M
2007-2008	AGM	Sundaraiah Vignana Kendram (Mini Hall), Baghlingam-pally, Hyderabad-500 044.	29th September, 2008 at 2.00 P.M
2007-2008	EGM	Sundaraiah Vignana Kendram (Mini Hall), Baghlingam-pally, Hyderabad-500 044.	17th January, 2008 at 2.00 P.M

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

Year	Location
2009-2010	3 special resolutions were passed at the Annual General Meeting held on 9th September, 2010 for the following: (I) Approval of appointment of Solomon Daneil as Managing Director. (II) Increment of authorized capital of the Company from Rs. 5,00,00,000/- to Rs.90,00,00,000/-. (III) Preferential issue of 8,00,00,000 convertible equity warrants at a price of Rs.18.60/- per warrant.
2008-2009	No special resolution was passed
2007-2008	No special resolution was passed

(c) Whether the special resolution was put through postal ballot last year, details of voting pattern:

No special resolution was passed through postal ballot process during the last year i.e 1st April, 2010 to 31st March, 2011.

However now the Company has proposed to pass a resolution in connection to the alteration in Main Object Clause of the Memorandum of Association of the Company by way of Postal Ballot

The same has already been commended for the approval of the Members.

X. MEANS OF COMMUNICATION

The Board of Directors of the Company approves and takes on record the Unaudited Quarterly Financial Results and Audited Annual Results and announces forthwith the results to all the Stock Exchange where the shares of the Company are listed. The same are published within 48 hours in Business Standard (Hyderabad Edition) and Andra Prabha. Official news releases are sent to Stock Exchange.

The following e-mail Id is exclusively meant for receiving Shareholders Grievances: shclimited@gmail.com.

SECUNDERABAD HEALTHCARE LIMITED

Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto.

XI. SHAREHOLDER'S INFORMATION

↗ Annual General Meeting

Date: 29th September, 2011
Time: 2.00 P.M
Venue: Sundaraiah Vignana Kendram (Mini Hall),
Baghlingampally,
Hyderabad- 500 044

↗ Financial Calendar

Financial Reporting for the year 2010-2011	Month of reporting
Unaudited financial result for the quarter ending 30th June, 2010	Upto 15th August, 2010
Unaudited financial result for the quarter ending 30th September , 2010	Upto 15th November, 2010
Unaudited financial result for the quarter ending 31st December, 2010	Upto 15th February, 2011
Unaudited financial result for the quarter ending 31st March, 2011	Upto 15th May, 2011

↗ Registered Office Of The Company
8-2-293/82/A, S1-Vimal, Road No.5,
Plot No.31-B,
Jubilee Hills,
Hyderabad,
Andhra Pradesh- 500 033.

↗ Financial Year
1st April, 2010 to 31st March, 2011

↗ Date Of Book Closure
26th September 2011 to 28th September 2011.

↗ Listing on Stock Exchange
The Shares of the Company are listed at
BOMBAY STOCK EXCHANGE LIMITED
P.J. Towers,
Dalal Street,Fort
Mumbai- 400 001

↗ Stock Code
The Bombay Stock Exchange Limited, Mumbai : 524540.
Demat ISIN No. NSDL & CDSL : INE930C01016

↗ Dematerialization of share
The Company's Shares traded in both physical and dematerialized Form. The Trading of the shares in dematerialized form is available on both the depositories in India. viz, National Securities Depository Limited and Central Depository Services (India) Limited.

SECUNDERABAD HEALTHCARE LIMITED

Approximately **48,799** Equity Shares have been dematerialized up to 31st March, 2011.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's Shares is INE930C01016

↗ Stock market data

Monthly high and low of the Company's share at the Bombay Stock Exchange

Month	High (Rs.)	Low (Rs.)	No. of shares traded
April 2010	23.35	18.10	3,02,881
May 2010	25.40	17.00	4,49,016
June 2010	21.45	18.45	74,061
July 2010	19.75	17.60	87,013
August 2010	22.90	15.00	3,19,912
September 2010	20.70	16.60	1,36,963
October 2010	30.50	16.70	7,18,122
November 2010	28.75	18.95	2,22,377
December 2010	22.40	15.30	1,13,211
January 2011	17.60	13.10	30,992
February 2011	15.90	12.70	17,691
March 2011	21.40	11.80	80,928

↗ Registrar & Share Transfer Agents

Aarathi Consultants Private Limited

1-2-285, Domalguda,

Hyderabad 500029.

Ph. 040- 2763 8111/ 4445

Website: www.aarthicconsultants.com

email: info@aarthicconsultants.com

↗ Distribution Of Shareholding As On 31.03.2011

Shareholding of Nominal Value of Rs.	In Rs.	% of holding
Upto 5000	3260990	0.74
5001 – 10000	2243830	0.51
10001 – 20000	1661400	0.38
20001 – 30000	1699760	0.39
30001 – 40000	914940	0.21
40001 – 50000	1425720	0.33
50001 – 100000	2921960	0.67
100001 & above	424427400	96.78
TOTAL	438556000	100

SECUNDERABAD HEALTHCARE LIMITED

➤ Shareholding Pattern As On 31st March, 2011

Partly paid-up shares	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the company
Held by promoter/promoter group	0	0	0
held by public	0	0	0
Total	0	0	0
Outstanding convertible securities	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company assuming full conversion of the convertible securities
Held by promoter/promoter group	0	0	0
held by public	0	0	0
Total	0	0	0
Warrants	No. of warrant	As a % of total no. of warrants	As a % of total no. of shares of the company assuming full conversion of warrants
Held by promoter/promoter group	0	0	0
held by public	39904000	100	47.64
Total	39904000	100	47.64
Total Paid-up capital of the company assuming full conversion of warrants and convertible securities	83759600		

➤ Shareholding Pattern of Fully paid-up shares As On 31st March, 2011

Sr. No.	Category	No. of Shares held	% of Shareholdi
A	PROMOTERS		
(i)	Individuals/HUF	610500	1.39
B	PUBLIC SHAREHOLDING		
(i)	Institution	Nil	Nil
(ii)	Non-Institution		
a.	Bodies Corporate	40628098	92.64
b.	Individual		
	Individual Shareholders holding upto Rs.1 lakh	1294931	2.95
	Individual Shareholders holding above Rs. 1 lakh	1046721	2.39
c.	NRI's / Huf's / Clearing Members	275350	0.63
C.	SHARE HELD BY CUSTODIAN	Nil	Nil
	Total	43855600	100.00

↗ Address For Correspondence
8-2-293/82/A, S1-Vimal, Road No.5,
Plot No.31-B,Jubilee Hills,
Hyderabad, Andhra Pradesh- 500 033.

(XII) ADOPTION OF NON-MANDATORY REQUIREMENT UNDER CLAUSE 49.

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement and every effort has been made to comply with the non- mandatory requirements of the Clause, the details of which are mentioned hereunder:

❖ Training Of the Board Members

New Directors appointed by the Board are given formal induction and orientation with respect to the Company's vision, strategic direction and core values including ethics, corporate governance practices, financial matters and business operations. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.

❖ Meetings of Independent Directors

The Independent Directors of the Company meet from time to time as they deem appropriate without the presence of the Executive Directors or Management Personnel. These meetings are conducted in an informal and flexible manner to enable the Independent Directors to discuss the matters pertaining to the affairs of the Company and put forth their views to the Lead Independent Director. The Lead Independent Director takes appropriate steps to present such views to the Managing Director.

❖ Whistle Blower Policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has a Whistle Blower Policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate superior or such other person as may be notified by the management to the work groups. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

Place : Hyderabad
Date : 1st September, 2011.

For and on Behalf of the Board of Directors
For Secunderabad Healthcare Limited
Sd/-
Solomon Daniel Bondugula
(Chairman)

ANNEXURE (I) TO CORPORATE GOVERNANCE REPORT

AFFIRMATION OF COMPLIANCE WITH CODE OF CONDUCT AND
BUSINESS ETHICS

Pursuant to the requirements of clause 49(I) (D) of the listing agreement, I hereby confirm that the Company has received affirmations on compliance with code of conduct and business ethics for the financial year ended March 31, 2011 from all the Board Members and the Senior Management Personnel.

By the order of the Board

Sd/-
Solomon Daniel Bondugula
(Managing Director)

Place : Hyderabad

Date : 1st September, 2011

SECUNDERABAD HEALTHCARE LIMITED

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Shareholders,
Secunderabad Healthcare Limited

We have examined all the relevant records of Secunderabad Healthcare Limited for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchange for the financial year ended 31st March, 2011. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of conditions of the Corporate Governance. We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for review and the information and explanations given to us by the Company. This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations given to us, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the said Listing Agreements.

For D.P. Agarwal & Co.
Chartered Accountants
sd/-
(D.P.Agarwal)
Proprietor

PLACE : Mumbai
DATE : 28th August, 2011

► MANAGEMENT DISCUSSION AND ANALYSIS

We recommend that you read this discussion together with our financial statements and related notes included elsewhere in this report. Unless otherwise indicated, all relevant financial and statistical information included herein relates to a continuing operations.

We make forward looking statements in this report; in addition, our senior management makes forward looking statements orally to the analysts, investors, the media and others. Do not unduly rely on the forward- looking statements, which give our expectations about the future and not guarantees. We do not undertake any obligation to update our forward looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

↗ HEALTHCARE PERSPECTIVE

✿ World Economy

The Global Economy has been improving since the second quarter of 2009. International trade and global industrial production have recovered noticeably, with an increasing number of countries registering positive quarterly growth of gross domestic product (GDP).

However, the recovery is uneven and conditions for sustained growth remain fragile. Going forward, global economic recovery is expected to remain sluggish, unemployment rates will stay high and inflation will remain low.

✿ Indian Economy

Healthcare is emerging as one of the fast-growing service sectors in India, contributing 6% to the country's Growth Domestic Product (GDP). During the first quarter of 2011, India's GDP expanded 7.8 percent over the same quarter of previous year. From 2004 until 2010, India's average quarterly GDP Growth has been witnessed at 8.40 percent. The Indian healthcare industry has witnessed phenomenal growth over the past few years and is expected to continue its fast pace. The rate of growth of the health care industry in India is moving ahead neck to neck with the pharmaceutical industry and the software industry of the country. Much has been said and done in the health care sector for bringing about improvement. Till date, approximately 12% of the scope offered by the health care industry in India has been tapped. The health care industry in India is reckoned to be the engine of the economy in the years to come. Health care industry in India is worth \$17 billion and is anticipated to grow by 13% every year. The health care sector encompasses health care instruments, health care in the retail market, hospitals enrolled to the hospital networks etc.

↗ OPPORTUNITIES AND THREATS

✿ Opportunities

India has historically been plagued with a situation of under penetration and under investment in healthcare. There is significant demand for quality healthcare services owing to the growth in population, increase in purchasing power and greater prevalence of lifestyle diseases. The Indian healthcare industry is a US\$ 35 billion industry and is anticipated to reach US\$ 75 billion by 2012. This sector thus provides a lot of potential as Indians are becoming more health conscious and vying for better amenities. The demand supply equation is currently in favour of healthcare service providers as there are large pockets within the country that are inadequately addressed. Further Globalization has brought new players into the industry with local tie-ups. We foresee good future for the industry with the globalization and also outsourcing to India and Medical Tourism to reduce the overall costs globally.

❁ Threats

While the investment environment has improved, the fact remains that the healthcare business requires significant domain expertise as well as large amounts of capital. While the Company has achieved a significant amount of scale, it will still need to invest considerable amount of capital to set up new facilities. The Company also seeks to generate a reasonable return on such new investments. Thus, the company will have to adopt a measured approach while expanding its business.

Further there has been a significant increase in the inflation costs which also acts as a major threat to the profit margins of the Company. Also the intensive competition grabbing the industry is affecting the margins. Moreover, the industry is characterized by rapid technological change of the medical equipments. The development by others of new or improved products, processes, or technologies may make our existing equipment and treatments obsolete or less competitive. All these factors prove to be major threats for the Healthcare sector.

➤ OUTLOOK

Secunderabad Healthcare Limited provides healthcare products primarily in India. The Company offers nutraceuticals and cosmeceuticals, as well as peptones, bio- fertilizers and bio- pesticides. However in view of the increased competition and with a view to broad basing its activities and making it more resilient, the Board is of the opinion that rich experience of the senior executives of the Company can be utilized to enable the organization achieve better business prospects.

Thus the organization proposes to venture into investment and its allied activities.

➤ RISKS AND CONCERNS

The management of the Company focuses immensely on risk management and internal controls as these factors are co-related with the business operations. The Company has in place a detailed Risk Management system that takes care of the management of the risks. Issues raised by the Internal and Statutory Auditors are addressed with utmost importance, as to identify loopholes and eliminating bottlenecks to established processes. Also a number of Risk Management Model have been put to place to mitigate the impact of the Risks.

❁ Risk Management

Committed monitoring and identification of the Risks is carried out at regular intervals towards improving the processes and procedures. This assessment is based on risk perception survey, business environment scanning and inputs from stakeholders.

❁ Risk Management

Post identification of risks, measurement and treatment is a crucial step in operation of the business. Risk mitigation and solutions are defined, so as to align the risk exposure levels to the risk appetite.

➤ INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal controls help safeguard funds, provide efficient and effective management of assets and ensure accurate financial reporting. The prime purposes are to protect firm's resources against mismanagement or fraud, to ensure whether the company's activities are in accordance with laws and regulations, and above all, to develop consistent financial as well as managerial data in order to present them timely. In short, the activities that are covered in the implementation of a good corporate internal control are overseeing activities in connection with authorizations and reconciliations, reviewing of employee performance, security of assets, and segregation of duties. To achieve this objective, the company has an independent team of internal auditors to monitor and review the

SECUNDERABAD HEALTHCARE LIMITED

operations and processes of the company. Every quarter, the team, places its findings to the Audit Committee with its suggestions for improvements. The audit committee takes note of the same and guides the management in the implementation of the suggestions.

▶ DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under the review i.e. March 31, 2011 the Company has achieved a total income aggregating to Rs. 5894.13 lacs as compared to Rs. 2011.30 lacs in the previous financial year ended March 31, 2010, an increase of 200% as compared to the previous year. This achievement is a result of extensive efforts put in by the management for growing revenue, improving gross margins and generating efficiencies through increased productivity and leveraging scale.

Further the company posted a net profit of Rs. 25.31 lacs for the financial year ended March 31, 2011 which is slightly less as compared to that earned during the year ended March 31, 2010. The decrease in the amount of Net Profit can be attributed to the mounting Direct expenses incurred by Company. Further after making the necessary provisions for tax, the Company's net profit stands at Rs. 20.21 lacs.

With the anticipated revival of the economy, your Directors are hopeful of better performance in the future years.

▶ TRAINING AND HUMAN RESOURCES MANAGEMENT

Morale of our professional continued to be high. The company continued to put concerted efforts in recruiting, training & deploying the best of human resources .Many Training programmes were conducted during the year to upgrade our knowledge , skills and attitude of our professional

▶ CAUTIONARY STATEMENT

Statements in this management discussion and analysis describing the company's objection, projections, estimates and expectations may be "forward looking statement" within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the company's operations include Government regulations, litigation, tax laws and significant changes in the political and economic environment in India.

SECUNDERABAD HEALTHCARE LIMITED

AUDITORS' REPORT

To
The Members of
SECUNDERABAD HEALTH CARE LIMITED

1. We have audited the attached Balance Sheet of SECUNDERABAD HEALTHCARE LIMITED as at 31st March, 2011 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on the date annexed thereto. 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.

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

3. 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.

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

(i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our Audit;

(ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books ;

(iii) The financial statements dealt with by this report are in agreement with the books of account;

(iv) In our opinion, the financial statements 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 , 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March , 2011 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 , 2011;

(b) In the case of the Profit & Loss Account, of the Profit for the period ended on that date; and

(c) The Cash Flow Statement, of the cash flows for the year ended on that date.

For D.P. Agarwal & Co.
Chartered Accountants
Firm's Registration No:1100068W
sd/-

(D.P.Agarwal)

Proprietor

Membership No:35500

PLACE : Mumbai

DATE : 28th August,2011

SECUNDERABAD HEALTHCARE LIMITED

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 verifications is reasonable
(b) In our opinion, the procedures of the physical verification of inventory followed by the Management are reasonable and adequate in relation of the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory and as explained to us, there were no material discrepancies noticed on such 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, the contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made by the company in respect of the financial year, are entered in register U/s 301 of the Companies Act, 1956 does not arise.
(b) According to the information and explanations given to us, as no such contracts or arrangements made by the company, the applicability of the clause of charging the reasonable price having regards 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

SECUNDERABAD HEALTHCARE LIMITED

58A,58AA or any other relevant provisions of the Act and the rules framed there under does not arise. As per information and explanations given to us the order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not been received by the Company.

- VII. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- VIII. In respect of the Company, the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- IX. a) The Company is regular in depositing undisputed statutory dues including Income Tax, Cess and any other statutory dues with the appropriate authorities and at the last of the financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable.
- b) According to the information and explanations given to us, no undisputed amounts are payable in respect of Income Tax, Cess and any other statutory dues as at the end of the period, for a period more than six months from the date they became payable.
- X. The Company has been registered for a period of not less than 5 years, and 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 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.

SECUNDERABAD HEALTHCARE LIMITED

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

For D.P. Agarwal & Co.
Chartered Accountants
Firm's Registration No:1100068W
sd/-
(D.P.Agarwal)
Proprietor
Membership No:35500

PLACE : Mumbai
DATE : 28th August,2011

SECUNDERABAD HEALTHCARE LIMITED

SECUNDERABAD HEALTHCARE LIMITED

BALANCE SHEET AS ON 31ST MARCH 2011

PARTICULARS	SCHEDULE NO.S	AS AT 31-03-2011 (Rupees)	AS AT 31-03-2010 (Rupees)
I SOURCES OF FUNDS			
1.Shareholders' Funds			
a. Capital	1	1,076,732,250	57,696,000
b. Reserves & Surplus		20,807,398	18,786,210
2.Deferred Tax Laibility		11,807,026	11,807,026
TOTAL		1,109,346,674	88,289,236
II APPLICATION OF FUNDS			
1.Fixed Assets			
a. Gross Block	2	67,371,444	67,371,444
b. Depreciation		24,529,247	17,149,046
c. Net Block		42,842,197	50,222,398
2.Investments		1,040,366,087	4,250,000
3.Current Assets, Loans & Advance:			
a. Inventories		14,529,109	16,803,370
b. Sundry Debtors	3	356,641,784	41,750,039
c. Cash & Bank Balances	4	149,999	26,617
d. Advances & Deposits	5	21,310,287	1,244,263
Less: Current Liabilities	6	366,492,789	26,007,451
Advances & Provisions			
NET CURRENT ASSETS		26,138,390	33,816,838
NOTES ON ACCOUNT	7		
TOTAL		1,109,346,674	88,289,236

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

FOR AND ON BEHALF OF THE BOARD
SECUNDERABAD HEALTHCARE LIMITED

Sd/-
(D.P.Agarwal)
(Proprietor)

Sd/
MANAGING DIRECTOR

Sd/
EXECUTIVE DIRECTOR

PLACE : HYDERABAD
DATE : 28.08.2011

SECUNDERABAD HEALTHCARE LIMITED

SECUNDERABAD HEALTHCARE LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2011

PARTICULARS	SCHEDULE NO.S	ENDING 31-03-2011 (Rupees)	ENDING 31-03-2010 (Rupees)
1 INCOME			
Sales		574,566,093	184,327,046
Closing Stock		14,529,109	16,803,370
Other Income		317,881	
TOTAL		<u>589,413,083</u>	<u>201,130,416</u>
2 EXPENDITURE			
Opening Stock		16,803,370	6,825,360
Purchases		551,483,922	175,631,902
Administrative & Selling Expenses		11,204,620	8,696,698
Interest & Bank Charges		9,645	7,594
Depreciation		7,380,201	7,380,201
TOTAL		<u>586,881,758</u>	<u>198,541,755</u>
3 PROFIT BEFORE TAX		2,531,325	2,588,661
4 PROVISION FOR TAXATION		510,138	405,000
5 PROFIT AFTER TAX		2,021,188	2,183,661
6 PROVISION FOR FRINGE BENEFIT TAX		-	
7 DEFERRED TAX LIABILITY		-	1,732
8 BALANCE BROUGHT FORWARD		18,786,210	16,600,817
9 BALANCE CARRIED FORWARD		20,807,398	18,786,210
Earnings Per Share		0.05	0.61
Notes on Account	7	-	-
AS PER OUR REPORT OF EVEN DATE		FOR AND ON BEHALF OF THE BOARD SECUNDERABAD HEALTHCARE LIMITED	
For D.P.AGARWAL & CO., CHARTERED ACCOUNTANTS		Sd/ MANAGING DIRECTOR	Sd/ EXECUTIVE DIRECTOR
Sd/- (D.P.Agarwal) (Proprietor) PLACE : HYDERABAD DATE : 28.08.2011			

SECUNDERABAD HEALTHCARE LIMITED

SECUNDERABAD HEALTHCARE LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31-03-2011

SCHEDULE 1 SHARE CAPITAL

PARTICULARS	AS AT 31-03-2011 (RUPEES)	AS AT 31-03-2010 (RUPEES)
AUTHORISED:		
90000000 Equity Shares of Rs.10/-Each	<u>900,000,000</u>	<u>50,000,000</u>
ISSUED,SUBSCRIBED & PAID-UP:		
43855600 Equity Shares of Rs.10/-Each	438,556,000	35,596,000
Share Premium	362,825,600	
Share Warrants	<u>275,350,650</u>	<u>22,100,000</u>
	<u>1,076,732,250</u>	<u>57,696,000</u>

SCHEDULE 3 SUNDRY DEBTORS

Others	356,641,784	21,532,927
	<u>356,641,784</u>	<u>21,532,927</u>

SCHEDULE 4 CASH & BANK BALANCES

Cash on hand	102,931	6,845
Balance with Scheduled Banks	47,068	53,676
	<u>149,999</u>	<u>60,521</u>

SCHEDULE 5 ADVANCES & DEPOSITS

Vat Receivable	39,030	
Advances	21,271,257	1,105,416
	<u>21,310,287</u>	<u>1,105,416</u>

SCHEDULE 6 CURRENT LIABILITIES, ADVANCES & PROVISIONS

Loans & Sundry Creditors	363,503,952	1,587,214
Outstanding Expenses & Provisions	2,988,836	3,684,034
	<u>366,492,789</u>	<u>5,271,248</u>

SECUNDERABAD HEALTHCARE LIMITED

SCHEDULE 2
FIXED ASSETS

(Rupees)

DESCRIPTION OF ASSET	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Block As at 01-04-2010	Additions During the Period	Adjustments During the Period	Block as at 31-03-2011	UPTO 31-03-2010 Period	During the Period	Adjustments During the Year	Total as at 31-03-2011	as at 31-03-2011	as at 31-03-2010
Plant & Machinery	16577984			16577984	3645838	1172063		4817901	11760083	12932146
Furniture & Fixtures	218460			218460	51858	13829		65687	152773	166602
Patents & Intellectual Property	5826145			5826145	693750	276742		970492	4855653	5132395
Polluaction Countrol Equipment	11659880			11659880	1246149	553844		1799993	9859887	10413731
Computers/Software&Pheriperals	33088975			33088975	11511451	5363723		16875174	16213801	21577524
	67371444			67371444	17149046	7380201		24529247	42842197	50222397

SECUNDERABAD HEALTHCARE LIMITED

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 recognizes income and expenditure on accrual basis.
- (ii) Revenue is not recognized on the grounds of prudence, until realized in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

Investments :

- (i) 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 Amortization :

- (i) Depreciation is provided on straight line method on pro-rata basis and at the rates and manner specified in the Schedule XIV of the Companies Act, 1956.

Inventories :

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

Taxation :

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the company, deferred tax asset and liability is recognized 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 Approved:	Current Year (Rs.)	Previous Year (Rs.)
	540,000/-	540,000/-

3 Auditor's Remuneration Approved :	Current Year (Rs.)	Previous Year (Rs.)
-------------------------------------	--------------------	---------------------

SECUNDERABAD HEALTHCARE LIMITED

50,000/-

66,180/-

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 balance receivable from/payable to them as at year end.

7 In accordance with Accounting Standard 22 (AS 22) issued by the ICAI, the Company has accounted for deferred income tax during the year. The deferred income tax provision for the current year amounts to Rs.Nil towards deferred income tax Asset. (Previous year Rs.1732)

8 Previous years figures have been regrouped wherever necessary.

9 The figures have been rounded off to the nearest rupee.

SIGNATURES TO SCHEDULES 1 to 7

As per our report of even date

For and on behalf of the Board

For D.P. Agarwal & Co.
CHARTERED ACCOUNTANTS

SECUNDERABAD HEALTHCARE LTD.

Sd/-

Sd/-

Sd/-

Proprietor

Managing Director

Executive Director

PLACE : Mumbai

DATE : 28th August,2011

SECUNDERABAD HEALTHCARE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2011

(Rs. In lakhs)

	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit/(Loss) before taxation, and extraordinary Items	25.31	25.89
Adjustments for:		
Depreciation	73.80	73.80
Interest expenses	0.00	0.08
Preliminary Expenses W/o	0	0.00
Share Application Money & Share Capital	10190.37	0.00
Operating Profit before working capital changes	10289.48	99.76
Trade and other receivables	-3148.92	(203.56)
Inventories	22.74	(99.78)
Trade payables	3404.61	203.31
Loans & Advances	-205.52	0.00
Cash generated from operations	10362.40	-0.27
Expenditure on patents		0.00
NET CASH FLOW OPERATING ACTIVITIES	10362.40	-0.27
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	0.00	0.00
Sale/adjustment of Fixed Assets investments	10361.16	0.00
NET CASH USED IN INVESTING ACTIVITIES	10361.16	0.00
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Net off share capital		0.00
interest paid	0.00	(0.08)
Creditors for capital goods		0.00
Unsecured Loan		0.00
NET CASH USED IN FINANCING ACTIVITIES	0.00	(0.08)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1.24	-0.35
Cash and Cash equivalents as at (Opening Balance)	0.27	0.61
Cash and Cash equivalents as at (Closing Balance)	1.50	0.26

FOR AND ON BEHALF OF THE BOARD
for SECUNDERABAD HEALTH CARE LIMITED

SD/-

SD/-

PLACE : HYDERABAD
DATE : 15-07-2011.

MANAGING DIRECTOR

EXECUTIVE DIRECTOR

SECUNDERABAD HEALTHCARE LIMITED

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, 2011. 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 28th August,2011 to the member of the company.

For D.P. Agarwal & Co.
Chartered Accountants
sd/-
(D.P.Agarwal)
Proprietor

Place: Mumbai
Date: 28th August,2011

SECUNDERABAD HEALTHCARE LIMITED
(Regd Office: S 1, Vimal, Road No. 5, Jubilee Hills, Hyderabad 500033.)

PROXY FORM

I/We of
..... being a member/members of the above named Company hereby
appoint of or failing him/her
of as my/our proxy to vote for me/us on my/our behalf at the 20th Annual
General Meeting of the Company to be held on Thursday, the 29th September, 2011 at 2.00 PM
at Sundaraiah Vigna Kendram, Mini Hall, Baghlingampally, Hyderabad and at any adjournment
thereof.

Affix
Revenue stamp
and Across

Signed this day of _____ 2011.

NOTES:

A Member entitled to attend and vote at the meeting is entitled to appoint a proxy and
vote instead of himself.

Proxy need not be a member.

The proxy form duly completed should be deposited at the Registered Office of the Com-
pany not less than 48 hours before the time fixed for holding the meeting.

..... cut here

SECUNDERABAD HEALTHCARE LIMITED
(Regd Office: S 1, Vimal, Road No. 5, Jubilee Hills, Hyderabad 500033.)

ATTENDANCE SLIP

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

Regd. Folio

Shares held

I hereby record my presence at the 20th Annual General Meeting of the Company to be held on
Thursday, the 29th September, 2011 at 2.00 PM at Sundaraiah Vigna Kendram, Mini Hall, Baghlin-
gampally, 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.

BOOK-POST

TO,

SECUNDERABAD HEALTHCARE LIMITED
S1, Vimal, Road No. 5, Jubilee Hills, Hyderabad 500 033