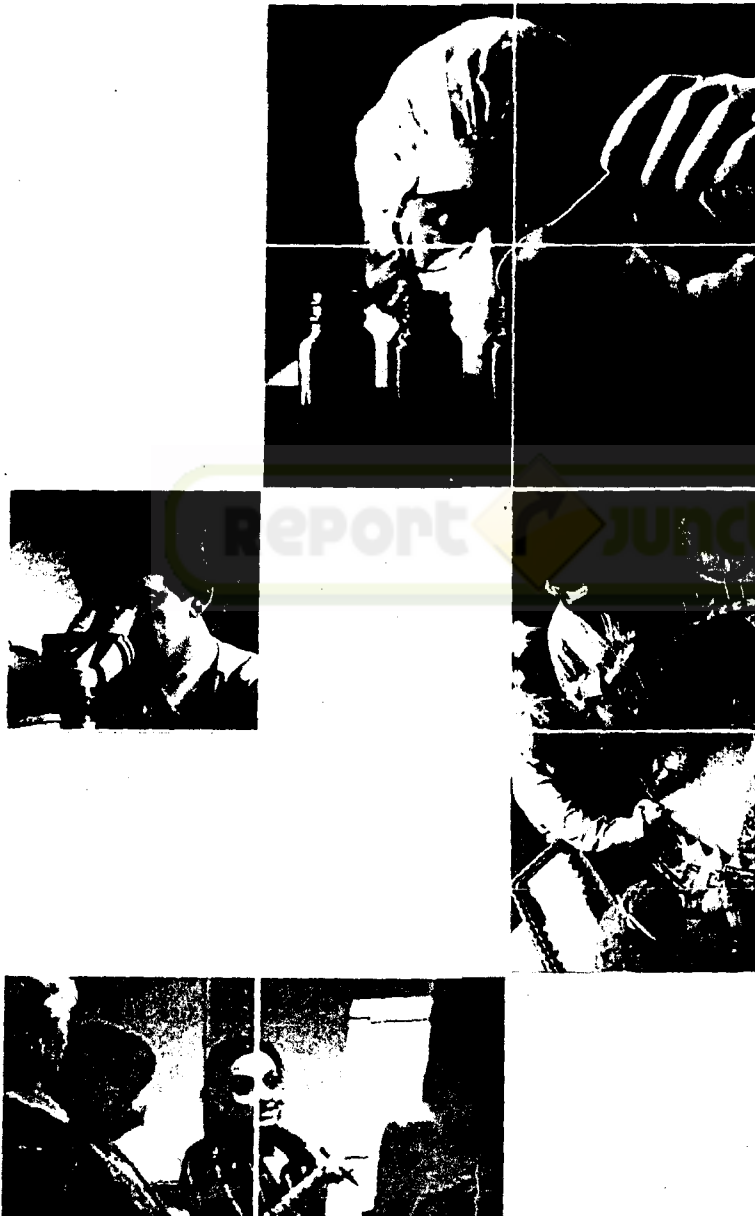


# SECUNDERABAD Healthcare Limited



17<sup>th</sup>  
Annual Report  
2007-2008

# SECUNDERABAD

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## Healthcare Limited

Report 17<sup>th</sup> 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 17<sup>th</sup> Annual General Meeting of the members of Secunderabad Healthcare Limited will be held on Monday, the 29<sup>th</sup> September 2008 at 02.00 P.M. at, Sundaralah 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 31<sup>st</sup> 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 28<sup>th</sup> 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	<b>Sri. V. Sundera Raja Bhattar</b>
Age	43 Years
Qualifications	B.Com, J.D.C
Experience	20 years in Banking Sector
Other Directorships	NIL

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

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

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## 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 28<sup>th</sup> 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 <sup>th</sup> 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 17<sup>th</sup> Annual Report of the company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2008.

**FINANCIAL RESULTS****(Rs. Lakhs)**

<b>Particulars</b>	<b>Year ended 31-03-2008</b>	<b>Year ended 31-03-2007</b>
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 17<sup>th</sup> 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 28 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 1<sup>st</sup> August, 2008 to the Board the Board has accepted his resignation in their Board Meeting held on 11<sup>th</sup> August, 2008 with immediate effect (i.e w.e.f from 11<sup>th</sup> 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 peptides, 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.