

# Dolphin

Medical Services Limited

(CIN : L24239TG1992PLC014775)



## 25<sup>th</sup> ANNUAL REPORT 2016 - 2017

Regd. Office: # 417, Sanali Heavens, Ameerpet, HYDERABAD - 500 073, Telangana, India

Tel No: 040-23738877

Corp. Office: Ramachandra Rao Road, VIJAYAWADA - 520 002, A.P., India

Website : [www.dolphinmedicalservices.com](http://www.dolphinmedicalservices.com)

E-mail ID for Investor's Grievances : [dolphincomplianceofficer@gmail.com](mailto:dolphincomplianceofficer@gmail.com)

## BOARD OF DIRECTORS

### Board of Directors

Dr. GV Mohan Prasad – Managing Director & CEO  
 Dr. M Lakshmi Sudha – Whole-time Director & CFO  
 Sri. Vinay Vishnuraj Nayak – Independent Director  
 Sri. Narendra Seena Karkera – Independent Director  
 Dr. K. Ramana Kumar – Independent Director  
 Sri. Nanapaneni Buddha Sagar - Director  
 Smt. Madala Sessa Ratnam – Director  
 Sri. Turlapati Seshu Kumar – Independent Director  
 Smt. Turlapati Padmasri – Independent Director

### Committees of the Board: Audit Committee

Sri. Narendra Seena Karkera – Chairman  
 Sri. Vinay Vishnuraj Nayak – Member  
 Dr. M Lakshmi Sudha – Member

### Nomination and Remuneration Committee

Sri. Vinay Vishnuraj Nayak – Chairman  
 Sri. Narendra Seena Karkera – Member  
 Dr. K. Ramana Kumar – Member

### Share Transfer & Investors' Grievance Committee

Sri. Vinay Vishnuraj Nayak – Chairman  
 Dr. M Lakshmi Sudha – Member  
 Sri. Narendra Seena Karkera – Member

### Auditors

M/s. Pinnamneni & Co.,  
 Chartered Accountants,  
 Ameerpet,  
 Hyderabad – 500 073

### Bankers

Canara Bank  
 The Federal Bank Ltd.  
 HDFC Bank Ltd.

### Registrar & Share Transfer Agents

M/S.XL Softech Systems Ltd.  
 Sagar Society, Rd.No.2,  
 Banjarahills, Hyderabad – 500 034.

### 25th ANNUAL GENERAL MEETING

Date : 29th December, 2017  
 Time : 9.45 A.M.  
 Venue : Maharaja Function Hall  
 1-54, Warangal Highway  
 Uppal  
 HYDERABAD - 500 039

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**NOTICE**

Notice is hereby given that the Twenty Fifth Annual General Meeting of the members of the Company will be held on Friday, December 29, 2017 at 09.45 a.m. at Maharaja Function Hall, 1-54, Warangal Highway, Uppal, Hyderabad – 500 039, Telangana, to transact the following business:

**Ordinary Business**

1. To receive, consider, approve and adopt the audited Balance Sheet as at March 31, 2017 and Statement of Profit & Loss Account for the year ended on that date together with Cash Flow Statements, Auditors' report and the Board Report thereon.

“**RESOLVED THAT** the audited Balance Sheet as at 31<sup>st</sup> March, 2017, Statement of Profit and Loss, Cash Flow Statement together with related notes for the year ended 31<sup>st</sup> March, 2017, the Auditor's Report thereon and the Directors Report thereon be and are hereby received, considered, approved and adopted.”

2. To appoint M/s. Pinnamaneni & Co., Chartered Accountants as Statutory Auditors of the Company.

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

RESOLVED THAT Pursuant to Section 139 and other applicable provisions if any, of the Companies Act, 2013 and the rules made thereunder, M/s. Pinnamaneni & Co, Chartered Accountants, Hyderabad, be and are hereby re-appointed as Auditors of the Company to hold the office from the conclusion of 25<sup>th</sup> Annual General Meeting to till the conclusion of the 30<sup>th</sup> Annual General Meeting of the Company, subject to the ratification by members at every Annual General Meeting and the board of directors are hereby authorized to fix the remuneration of the Auditors as may be determined by the Audit Committee in consultation with the Auditors.

**Special Business**

3. Appointment of Mr. Nanapaneni Buddha Sagar (DIN 08005028) as a Director

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

“RESOLVED that pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), Mr.Nanapaneni Buddha Sagar (DIN 08005028) who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on December 4, 2017 and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a notice in writing from him under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation”.

“FURTHER RESOLVED THAT any one of the Directors of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

4. Appointment of Mrs. Madala Sessa Ratnam (DIN 08005008) as a Director

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

“RESOLVED that pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), Mrs. Madala Sessa Ratnam (DIN 08005008) who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on December 4, 2017 and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a notice in writing from her under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation”.

“FURTHER RESOLVED THAT any one of the Directors of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

5. Appointment of Mr. Turlapati Seshu Kumar (DIN 07912653) as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of section 149, 152 of the Companies Act, 2013 and rules made there under, Mr. Turlapati Seshu Kumar (DIN 07912653), who was appointed as ‘Additional Director’ in the Board of the Company on December 4, 2017 pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 (“the Act”) read with Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting of the Company and in respect of whom the company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Turlapati Seshu Kumar as a candidate for the office of a director of the company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years from the date of appointment.

“FURTHER RESOLVED THAT any one of the Directors of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

6. Appointment of Mrs. Turlapati Padmasri (DIN 07994224) as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of section 149, 152 of the Companies Act, 2013 and rules made there under, Mrs. Turlapati Padmasri (DIN 07994224), who was appointed as ‘Additional Director’ in the Board of the Company on December 4, 2017 pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 (“the Act”) read with Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting of the Company and in respect of whom the company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Mrs. Turlapati Padmasri as a candidate for the office of a director of the company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years from the date of appointment.

“FURTHER RESOLVED THAT any one of the Directors of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

**//By Order Of the Board//**

**For DOLPHIN MEDICAL SERVICES LIMITED**

Date : 04.12.2017  
Place: Hyderabad

**Sd/-  
NARENDRA SEENA KARKERA  
DIRECTOR**

**Notes**

1. The statements pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business set out in the notice and Secretarial Standard on General Meetings (SS-2), wherever applicable, are annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll in the meeting instead of such member. The proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding fifty (50) members and holding in aggregate not more than ten (10) percent of the total share capital of the Company. A member holding more than ten (10) percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member or shareholder.
3. A member of a company registered under Section 8 of the Companies Act, 2013 shall not be entitled to appoint any other person as its proxy unless such other person is also a member of such company.
4. The instrument appointing the proxy, duly completed, must be deposited at the Company’s registered office not less than 48 hours before the commencement of the meeting. A proxy form for this Annual General Meeting is enclosed.
5. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.

6. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company by such intending person.
7. Members / proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
8. Members whose shareholding is in electronic mode are requested to update the change of address, email ids and change in bank account details, if any with the respective Depository Participant(s).
9. Electronic copy of the Notice of the 25<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 25<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
10. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Pursuant to Secretarial Standard on General Meeting (SS- 2) in respect of the Directors seeking appointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment
11. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of Listing Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from 25<sup>th</sup> December, 2017 to 29<sup>th</sup> December, 2017 (both days inclusive).
12. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013 will be available for inspection at the Annual General Meeting
13. With a view to using natural resources responsibly, we request the shareholders to update respective email addresses with your Depository Participants, if not already done, to enable the Company to send communications electronically.
14. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-13 with the Company's RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar.  
SEBI has also mandated, that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company
16. The Annual Report 2016-17 is being sent through electronic mode to the members whose email addresses are registered with the Company / Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2016-17 are being sent by the permitted mode.
17. In compliance with Pursuant to Section 108 of the Companies Act, 2013, read with Rules 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facility for voting, through ballot paper, will also be made available at the Annual General Meeting and the members attending the Annual General Meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the Annual General Meeting through ballot paper. Members who have casted their votes by remote e-voting prior to the Annual General Meeting may attend the Annual General Meeting but shall not be entitled to cast their votes again.
18. **Voting through electronic means:**  
Pursuant to Section 108 of the Companies Act, 2013, read with Rules 20 of the Companies(Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) executed by the company with the BSE Limited, the company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Ltd. (CDSL).

A member may exercise his/her votes at any General Meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2015.

During the remote e-voting period, members of the Company holding shares either in physical form or dematerialised form, as on the cut-off date (record date) i.e., (Friday, December 22, 2017), may cast their votes electronically.

Members who do not have access to e-voting facility may send duly completed Ballot Form so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Bharatiraju Vegiraju, (FCS No.8300, CP No.14926), Company Secretary in Practice, 503, Gulmohar Chs, Building No.21, Mhada Oshiwara Complex, Andheri West, Mumbai - 400 053 not later than Thursday, December 28, 2017 (6.00 p.m. IST).

Ballot Form received after this date will be treated as invalid. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.

**The instructions for shareholders voting electronically are as under:**

- i. The voting period begins on Tuesday, December 26, 2017 at 9.00 a.m. IST and ends on Thursday, December 28, 2017 at 5.00 p.m. IST. During these period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) Friday, December 22, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- iii. Click on "Shareholders" tab.
- iv. Now, select the "Company Name: Dolphin Medical Services Limited" from the drop down menu and click on "SUBMIT"
- v. Now Enter your User ID,
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification Code as displayed and Click on Login.
- vii. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:
  - (ix) After entering these details appropriately, click on "SUBMIT" tab.

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Suresh Kumar with sequence number 1 then enter SA00000001 in the PAN field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction "v".</li> </ul>

- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant DOLPHIN MEDICAL SERVICES LIMITED on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders
- Non – Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

**Other Instructions:**

- i. The e-voting period commence on Tuesday, December 26, 2017 at 9.00 a.m. IST and ends on Thursday, December 28, 2017 at 5.00 p.m. IST. During this period, member of the company holding share either in physical form or in dematerialize form as on Friday, December 22, 2017 may cast their vote electronically. The e-voting module shall be disabling by CDSL for voting Thereafter. Once the vote on resolution is cast by the member, he shall not be allowed to change it subsequently.
- ii. The voting rights of members shall be incorporation to their shares of the paid-up equity share capital of the company as on Friday, December 22, 2017.
- iii. Mr. Bharatiraju Vegiraju, (FCS No.8300, CP No.14926), Company Secretary in Practice, has been appointed as the scrutinizer to scrutinize the voting and remote e-voting process and voting through ballot in a fair and transparent manner.
- iv. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast through Ballot Form and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in

favour or against, if any, to the Chairman or a person authorized by the Chairman, who shall declare the result of the voting forthwith.

- v. The results declared along with the scrutinizers report shall be placed on the company website [www.dolphinmedicalservices.com](http://www.dolphinmedicalservices.com) and with the website of CDSL within two days of passing of resolutions at the 25<sup>th</sup> AGM of the company on December 29, 2017 and communicated to the BSE Limited where the share of the company are listed.
19. Members may also note that the Notice of the 25<sup>th</sup> Annual General Meeting and the Annual Report 2016-17 is available on the Company's website, [www.dolphinmedicalservices.com](http://www.dolphinmedicalservices.com) Members who require physical copies may write to us at [dolphincomplainceofficer@gmail.com](mailto:dolphincomplainceofficer@gmail.com)
20. All documents referred to in this Notice are available for inspection at the Company's registered office during normal business hours on working days up to the date of the Annual General Meeting.
21. Members are requested to bring their copy of Annual Report to the Meeting.

**//By Order Of the Board//  
For DOLPHIN MEDICAL SERVICES LIMITED**

Date : 04.12.2017  
Place: Hyderabad

**Sd/-  
NARENDRA SEENA KARKERA  
DIRECTOR**

**Explanatory Statement**

*[Pursuant to Section 102(1) of the Companies Act, 2013]*

**Item No. 3:**

Mr. Nanapaneni Buddha Sagar (DIN 08005028) was appointed as an Additional Director of the Company with effect from December 4, 2017 by the Board of Directors. In terms of Section 161(1) of the Companies Act, 2013, Mr. Nanapaneni Buddha Sagar holds office upto the date of this Annual General Meeting but is eligible for the appointment as a Director. The Company has received a Notice from him in writing under Section 160 of the Act, proposing his candidature for the office of Director.

The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 3 of the Notice for the appointment of Mr. Nanapaneni Buddha Sagar as a Director, liable to retire by rotation. A statement containing his profile is given as per Annexure.

Except Mr. Nanapaneni Buddha Sagar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.3.

**Item No. 4:**

Mrs. Madala Seshu Ratnam (DIN 08005008) was appointed as an Additional Director of the Company with effect from December 4, 2017 by the Board of Directors. In terms of Section 161(1) of the Companies Act, 2013, Mrs. Madala Seshu Ratnam holds office upto the date of this Annual General Meeting but is eligible for the appointment as a Director. The Company has received a Notice from her in writing under Section 160 of the Act, proposing her candidature for the office of Director.

The Board recommends the passing of the Ordinary Resolution as set out in the Item no.4 of the Notice for the appointment of Mrs. Madala Seshu Ratnam as a Director, liable to retire by rotation. A statement containing his profile is given as per Annexure.

Except Mrs. Madala Seshu Ratnam, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.4.

**Item No. 5**

Mr. Turlapati Seshu Kumar (DIN 07912653) was appointed as Additional Director on December 4, 2017 in terms of Section 161 (1) of the Companies Act, 2013 in the category of 'Non-Executive Independent'. In terms of the Companies Act, 2013, an Additional Director shall hold office up to the date of the next Annual General Meeting and be eligible for appointment to the office of a Director at any General Meeting in terms of Section 160 of the Companies Act, 2013. The Company has received a notice from a member under section 160 of the Companies Act 2013, along with requisite deposit proposing the candidature Mr. Turlapati Seshu Kumar for the office of Directors under the category of Independent Directors.



In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made there under and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mr. Turlapati Seshu Kumar as 'Independent Directors' for a term up to 5 consecutive years commencing from the date of his appointment as Additional Director i.e. December 4, 2017.

Mr. Turlapati Seshu Kumar has confirmed compliance with the criteria of Independence as provided under Section 149 (6) of the Act. Further, in the opinion of the Board Mr. Turlapati Seshu Kumar fulfills the conditions specified in the Companies Act, 2013 and the Rules made there under, and he is independent of the Management his continued association with the Company would be of benefit to the Company.

The Board of Directors recommends the Ordinary Resolution as set out at item no. 5 for approval of the Members.

Except Mr. Turlapati Seshu Kumar, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

#### Item No. 6

Mrs. Turlapati Padmasri (DIN 07994224) was appointed as Additional Director on December 4, 2017 in terms of Section 161 (1) of the Companies Act, 2013 in the category of 'Non-Executive Independent'. In terms of the Companies Act, 2013, an Additional Director shall hold office up to the date of the next Annual General Meeting and be eligible for appointment to the office of a Director at any General Meeting in terms of Section 160 of the Companies Act, 2013. The Company has received a notice from a member under section 160 of the Companies Act 2013, along with requisite deposit proposing the candidature Mrs. Turlapati Padmasri for the office of Directors under the category of Independent Directors.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made there under and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mrs. Turlapati Padmasri as 'Independent Directors' for a term up to 5 consecutive years commencing from the date of his appointment as Additional Director i.e. December 4, 2017.

Mrs. Turlapati Padmasri has confirmed compliance with the criteria of Independence as provided under Section 149 (6) of the Act. Further, in the opinion of the Board Mr. Turlapati Seshu Kumar fulfills the conditions specified in the Companies Act, 2013 and the Rules made there under, and he is independent of the Management his continued association with the Company would be of benefit to the Company.

The Board of Directors recommends the Ordinary Resolution as set out at item no. 6 for approval of the Members.

Except Mrs. Turlapati Padmasri, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

### Annexure to the Notice

#### Additional information on directors recommended for appointment/re-appointment as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and Secretarial Standard-2

Name of the Director	Mr. Nanapaneni Buddha Sagar	Mrs. Madala Sesha Ratnam	Mr. Turlapati Seshu Kumar	Mrs. Turlapati Padmasri
Date of Birth	06.12.1964	20.06.1945	01.04.1969	31.10.1969
Date of Appointment	04.12.2017	04.12.2017	04.12.2017	04.12.2017
Experience	29 years	33 years	22 years	20 years
Inter se relationship among Directors	Yes (Cousin of GV Mohan Prasad)	Yes (Mother of M Lakshmi Sudha)	Yes (spouse of T Padmasri)	Yes (spouse of T Seshu Kumar)
Names of the Listed entities in which the person is holding Directorships or Board Committee Memberships	Nil	Nil	Nil	Nil

**Note:** Pursuant to Regulation 26 of the SEBI Listing Regulations, for the purpose of determination of limit, chairpersonship and membership of the Audit Committee and the Stakeholders Relationship Committee alone has been considered.

## DIRECTORS REPORT

The Members of **DOLPHIN MEDICAL SERVICES LIMITED**,  
Your Directors hereby present the 25<sup>th</sup> Annual Report and Accounts of the Company for the year ended 31<sup>st</sup> March, 2017.

**FINANCIAL RESULTS :**

Particulars	2016-17	2015-16
Operating Income	35.13	56.69
Other Income	10.69	14.99
Profit / (Loss) before Tax	(30.17)	(6.93)
Deferred Tax	(3.43)	(2.30)
Profit / (Loss) after Tax	(26.74)	(4.63)

**Discussion on Financial Performance:**

During the year under consideration the Company got a loss of Rs.30.17 Lakhs before Tax as against loss of Rs.6.93 Lakhs during the previous year.

**Management Discussion and Analysis**

As mentioned in our earlier AGM, Canara Bank has assigned its rights on the loan favoring Edelweiss Asset Reconstruction Company Ltd. (EARC). The EARC has granted a Negotiated Settlement (NS) of dues at a total consideration of Rs.250.00 lakhs payable in installments specified therein. In terms of the NS the company has paid an amount of Rs.25.00 lakhs as upfront payment. After this the company has also paid some interest on the due payments. Now that the company is in financial stress, the company could not pay further amounts to Edelweiss ARC and a part of the land at Deshmukh Village was sold towards approximating to the said liability. The company is in further negotiations with Edelweiss ARC for closure of the account once for all. Efforts are also being made to add financial inflows and investments to the company by way of roping in new investors and also looking at other ways and means of improving the financial strength of the company. To achieve this, the company is also open to adding new lines of activity, which may also inturn lead to the turn around of the company. Few directors were also added to strengthen the company.

**Financial Performance**

The Following is the Financial Performance of your Company:

(Rs. in Lakhs)

	2016-17	2015-16	Inc/(Dec) %
<b>Income:</b>			
Operations	35.13	56.69	(38.03)
Other Income	10.69	14.99	(28.69)
Total :	45.82	71.68	(36.08)
<b>Expenditure:</b>			
Material Consumed	8.23	17.05	(51.73)
Staff Cost	3.77	3.90	(3.33)
Other Expenses	30.56	24.09	26.86
Depreciation	33.43	33.57	(0.42)
Total :	75.99	78.61	(3.33)
<b>Profit/(Loss)</b>	<b>(30.17)</b>	<b>(6.93)</b>	<b>335.35</b>

**Material changes and commitments if any affecting the financial position of the Company occurred between the end of the financial year to which this Financial Statements relate and the date of the report**

There have been no material changes and commitments, affecting the financial position of the Company which occurred during between the end of the financial year to which the financial statements relate and the date of this report.

**Details of significant and material orders passed by the regulators/ courts/ tribunals impacting the going concern status and the Company's operations in future**

There are no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations except the one mentioned in detail in the Management Discussion.

**Share Capital:**

Authorized Share Capital: During the year under review, there was no change in authorized share capital of the Company. Authorized share capital of the company as on March 31, 2017 was Rs.25,00,00,000/-, comprising of 2,50,00,000 equity shares of Rs.10.00 each.

Paid-up Share Capital: During the year under review, there was no change in paid up share capital of the Company. Paid up share capital of the company as on March 31, 2017 was Rs.15,09,99,520/-, comprising of 1,50,99,952 equity shares of Rs.10.00 each.

**Dividend**

Your Directors have not recommended any dividend on Equity Shares for the year under review.

**Transfers to Reserves**

Your Board of Directors does not appropriate any amount to be transferred to General Reserves during the year under review.

**Revision of Financial Statements**

There was no revision of the financial statements for the year under review.

**Fixed Deposits**

During the year under review, your Company has not accepted any fixed deposits within the meaning of Section 73 of the Companies Act, 2013 read with rules made there under.

**Subsidiaries, Joint Ventures and Associate Companies**

The Company has no subsidiary companies.

**Particulars of Contracts & Arrangements with Related Parties**

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

**Particulars of Loans, Guarantees or Investments**

Pursuant to section 186 of Companies Act, 2013 and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company neither has, directly or indirectly, given any loan to its Directors nor extended any guarantee or provided any security in connection with any loan taken by them. Further, the Company has neither given any inter-corporate loan / advance nor made any investments in other companies during the financial year 2016-17.

**Number of Board Meetings held**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year Six Board Meetings were convened. The details of which are given in the Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 and Secretarial Standard-1

**Directors and Key Managerial Personnel**

During the year Mr. Nanapaneni Buddha Sagar, Mrs. Madala Sesha Ratnam, Mr. Turlapati Seshu Kumar and Mrs. Turlapati Padmasri were appointed as Additional Directors w.e.f. 04.12.2017. Now the Board proposes to appoint them as Directors of the company.

The Board recommends the appointment of Mr. Nanapaneni Buddha Sagar, Mrs. Madala Sesha Ratnam, Mr. Turlapati Seshu Kumar and Mrs. Turlapati Padmasri. Items seeking your approval on the above are included in the Notice convening the AGM.

Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under Section 164 of the Companies Act 2013.

Apart that there was no other appointment or cessation of appointment of key managerial personnel during the financial year.

**Declaration by Independent Directors**

The Independent Directors of the Company have submitted their declarations as required under Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as per sub-section (6) of Section 149 of the Act.

**Familiarization programme for Independent Directors**

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry.

**Independent Directors' Meeting**

The Independent Directors met on 14.02.2017 without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**Board Evaluation:**

The Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

**Internal Financial control system and their adequacy:**

The Board of your Company has laid down internal financial controls which comply with the provisions of the Companies Act, 2013 and Listing Regulation with Stock Exchange and that such internal financial controls are adequate and operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

**Directors Responsibility Statement as required under Section 134(5) of the Companies Act, 2013:**

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 the Board of Directors states that:

- (a) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss for that period;
- (c) They have 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;
- (d) They have prepared the annual accounts on a going concern basis;
- (e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Nomination and Remuneration policy**

In compliance to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee has recommended to the Board a Nomination and Remuneration policy with respect to appointment / nomination and remuneration payable for the Directors, Key Managerial Personnel and senior level employees of the Company. The said policy has been adopted by the Board and the same was discussed in the Corporate Governance Report. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

**Goods and Services Tax (GST)**

The introduction of Goods and Services Tax (GST) is a very significant step in the field of indirect tax reforms in India. By amalgamating a large number of Central and State taxes into a single tax, it would mitigate cascading or double taxation in a major way and pave the way for a common national market. Not Applicable to this company.

**Indian Accounting Standards**

The Ministry of Corporate Affairs vide its notification dated 16th February, 2015 has notified the Companies (Indian Accounting Standards) Rules, 2015. In pursuance of the said notification, the Company will adopt Indian Accounting Standards with effect from 01st April, 2017. The implementation of Indian Accounting Standards (IAS) is a major change process for which the Company has set up a dedicated team and is providing desired resources for its completion within the time frame. The impact of the change on adoption of said IAS is being assessed.

**Auditors**

**Statutory Auditors**

M/s. Pinnamaneni & Co, Chartered Accountants, the Company's auditors term office will conclude with this Annual General Meeting. They have expressed willingness to accept the assignment for a further period of Five years as per the Companies Act, 2013. They have also confirmed their eligibility for such an appointment under Section 139 of the Companies Act, 2013. The Board recommends the firms re-appointment as Company's auditors.

**Qualification by Statutory Auditor**

There were no qualifications, reservations or adverse remarks made by the Auditors in their report.

**Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed Mr. Bharatiraju Vegiraju, Practicing Company Secretary for conducting Secretarial Audit of the Company for the financial year 2016-2017. The Secretarial Audit Report is annexed herewith as **Annexure - I**.

**Qualification by Secretarial Auditor**

The Secretarial Auditor's Report does not contain any qualifications, reservation or adverse remarks except non compliance of Section 203 of the Companies Act, 2013 and Regulation 6 of the Listing Regulation, 2015 entered with Stock Exchange(s) in respect of appointment of Company Secretary as Key Managerial Person.

**Board Response:**

In complying with the provisions of Section 203 of the Companies Act, 2013 regarding appointment of Company Secretary, the Board has made utmost effort for appointment of the Company Secretary as Key Managerial Person but has not been able to appoint a Company secretary due to lack of suitability of the candidate to the profile of the Company in terms of Job profile and remuneration.

**Internal Auditors**

In pursuance of Section 138 of the Companies Act, 2013 read with rules made there under, the Board has appointed Dr. M Lakshmi Sudha, CFO of the Company as Internal Auditors of the Company to carry out internal auditing of books of accounts periodically.

**Insurance**

All properties and insurable interests of the Company not insured at the reinstatement values.

**Industrial Relations**

Industrial relations continued to be cordial throughout the year under review

**Vigil Mechanism / Whistle Blower Policy**

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulation, 2015, the Board has adopted Whistle Blower Policy. This policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. The policy also provided adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases.

Your Company hereby affirms that during the year no Director / employee have been denied access to the Chairman of the Audit Committee and that no complaints were received

**Management Discussion and Analysis**

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis given above discusses the key issues concerning the business and carried on by the Company.

**Management of Risks**

There is considerable pressure to keep up the realization from the services in view of highly competitive market.

**Audit Committee**

The Composition of the Audit Committee is provided in the Corporate Governance Report forming part of this report. All the recommendations made by the Audit Committee were accepted by the Board.

**Risk Management**

The Risk Management Committee duly constituted by the Board had formulated a Risk Management Policy for dealing with different kinds of risks attributable to the operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk Management procedure will be reviewed periodically by the Audit Committee and the Board.

**Corporate Social Responsibility (CSR) Initiatives:**

Section 135 of the Companies Act, 2013 provides the threshold limit for applicability of the CSR to a Company ie. (a) network of the Company to be ' 500 crore or more; or (b) turnover of the company to be ' 1,000 crore or more; or (c) net profit of the company to be ' 5 crore or more. As the Company does not fall under any of the threshold limits given above, the provisions of section 135 are not applicable to the Company.

**Extract of Annual Return**

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return in **Form MGT-9** is appended as **Annexure - II** to the Board's Report.

**Information on Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and outgo**

Pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 3 of Companies (Accounts) Rules, 2014, the relevant information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo is appended hereto as **Annexure - III** and forms part of the Board's Report. **Company's Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace**

The Company prohibits any form of sexual harassment and any such incidence is immediately investigated and appropriate action taken in the matter against the offending employee(s) based on the nature and the seriousness of the offence. The Company has a policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace (the Policy) and matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013" notified by the Government of India vide Gazette Notification dated 23<sup>rd</sup> April, 2013.

There was no case of sexual harassment reported during the year under review.

#### **Disclosure about Cost Audit**

Cost Audit is not applicable to your Company.

#### **Remuneration ratio of the Directors / Key Managerial Personnel (KMP) / Employees:**

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in separate annexure forming part of this Report as **Annexure - IV**.

There were no employee in the company throughout the financial year who were in receipt of remuneration of Rs.102 lacs or more, employees employed for part of the year and in receipt of Rs.8.50 lac or more per month. Hence the provisions of Rule 5(2) The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

#### **Corporate Governance**

The Company is committed to good corporate governance in line with the Listing Agreement (up to 30<sup>th</sup> November 2015) and Schedule V of Listing Regulations (with effect from 1<sup>st</sup> December 2015) and Provisions, Rules and Regulations of the Companies Act, 2013. The Company is in compliance with the provisions on corporate governance specified in the Listing Agreement with BSE. The certificate dated 04.12.2017 was obtained from Mr. P.V.V.Satyanarayana, Partner, Pinnamaneni & Co., Chartered Accountants and the report on Corporate Governance form part of this Directors' Report as **Annexure - V**.

#### **Disclosures as per the Listing Agreement & SEBI Regulations**

##### **Cash flow statement**

In due compliance of the listing agreements and in accordance with the requirements prescribed by SEBI, the cash flow statement is prepared and is appended to this Annual Report.

##### **Stock exchanges**

Company's equity shares are listed in the Bombay Stock Exchange Limited.

There is an outstanding Listing Fee of Rs.5,28,220/- to Bombay Stock Exchange Ltd.

##### **Share transfer agency**

The Company has appointed M/s XL Softech Systems Ltd, #3, Sagar Society, Road No.2, Banjarahills, Hyderabad - 500034 as its share transfer agency for handling both physical and electronic transfers.

##### **Listing Agreement**

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective 1<sup>st</sup> December, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The Company entered into Listing Agreement with BSE Limited during December, 2015

##### **Policies**

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

##### **i) Whistleblower Policy (Policy on vigil mechanism)**

The Company has adopted the whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics. There has been no change to the Whistleblower Policy adopted by the Company during fiscal 2017.

##### **ii) Policy for Determining Materiality for Disclosures**

This policy applies to disclosures of material events affecting Dolphin Medical Services Limited. This policy is in addition to the Company's corporate policy statement on investor relations, which deals with the dissemination of unpublished, price-sensitive information.

##### **iii) Policy on Document Retention**

The policy deals with the retention and preservation of corporate records of the Company

#### **Code of conduct**

The Company has adopted Code of Conduct for the Board and for the Senior level employees of the Company and they are complying with the said code. A declaration by the Director to this effect is furnished to the Board's Report.

#### **Director and CFO Certification**

The Director and CFO certification of the financial statements for the year 2016-17 is provided elsewhere in this Annual Report.

#### **Human Resources**

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

#### **Awards and recognition**

The Company has not received any award during the Financial Year.

#### **Cautionary Statement**

Statements in these reports describing company's projections statements, expectations and hopes are forward looking. Though, these expectations etc, are based on reasonable assumption, the actual results might differ.

#### **Event Based Disclosures**

During the year under review, the Company has not taken up any of the following activities:

a) **Issue of sweat equity share:** The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.

b) **Issue of shares with differential rights:** The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014.

c) **Issue of shares under employee's stock option scheme:** The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.

d) **Non- Exercising of voting rights :** During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

e) **Disclosure on purchase by company or giving of loans by it for purchase of its shares:** The Company did not purchase or give any loans for purchase of its shares.

f) **Buy back shares:** The Company did not buy-back any shares during the period under review.

g) **Disclosure about revision:** Since the company did not undergo any revision, this clause is Not Applicable to the company for the period under review.

h) **Preferential Allotment of Shares:** The Company did not allot any shares on preferential basis during the period under review.

#### **Acknowledgments**

The Directors wish to place on record their gratitude to shareholders and thank the customers, vendors, bankers, host of other State and Central Government Departments, Security Exchange Board of India and Stock Exchanges at Mumbai, and others for their continued support to the Company's growth. The Directors also wish to place on record, their appreciation for the contribution made by the employees at all levels, for their sincerity, hard work, solidarity and dedicated support to the Company.

**For and on behalf of the Board of Directors of  
DOLPHIN MEDICAL SERVICES LIMITED**

Date : 04.12.2017

Place: Hyderabad

**Sd/-  
NARENDRA SEENA KARKERA  
DIRECTOR**

#### **CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY:**

As provided under clause 17 (5) (a) of the SEBI (LODR) Regulation 2015 all Board Members and the Senior Management personnel have confirmed compliance with the Business Ethics and Code of Conduct for the year ended on March 31, 2017

**For and on behalf of the Board of Directors of  
DOLPHIN MEDICAL SERVICES LIMITED**

Date : 04.12.2017

Place: Hyderabad

**Sd/-  
NARENDRA SEENA KARKERA  
DIRECTOR**

## Form No. MR-3

**Secretarial Audit Report  
For the Financial Year ended 31<sup>st</sup> March, 2017**

[Pursuant to Section 204(1) of the Companies Act, 2013 and  
Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Dolphin Medical Services Ltd.,**  
CIN: L24239TG1992PLC014775,  
No. 417, Sanali Heavens,  
Ameerpet, Hyderabad-500073.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s.Dolphin Medical Services Ltd.** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of **M/s.Dolphin Medical Services Ltd.'s** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the Companies Act, 1956 (to the extent applicable) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not applicable to the Company during the financial year under review;**
  - d. Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ Securities Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 (effective 28<sup>th</sup> October 2014) - **Not applicable to the Company during the financial year under review;**



- e. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable as the Company has not issued any debt securities;**
- f. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**
- g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable as the Company has not delisted / propose to delist its equity shares from any stock exchange during the financial year under review;** and
- h. Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable as the Company has not bought back / propose to buyback any of its securities during the financial year under review.**

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India - **Not notified during the audit period and hence not applicable.**
- (ii) The Listing Agreements entered into by the Company with the Stock Exchanges.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the matters specified in Annexure-1 to this Report in particular. However as per the information provided by the company, the company is in the process to file the pending forms to be filed with the MCA.

**I further report that,** on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads Managing Director / Chief Financial Officer / Whole-time Director taken on record by the Board of Directors of the Company, in my opinion, there are adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws including Industrial Laws, Environmental Laws, Competition Law, Human Resources and Labour laws.

**I further report that,** that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

**I further report that,** the Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Meetings of the Board and its Committees. Agenda and detailed notes on agenda were sent to all the directors at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications as may be required on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and there were no dissenting views.

**I further report that,** there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that,** during the audit period no event has occurred during the year which has a major bearing on the Company's affairs.

Place: Hyderabad  
Date: 04.12.2017

**Mr. Bharatiraju Vegiraju**  
**Company Secretary**  
**FCS: 8300 CP: 14926**

This Report is to be read with my letter of even date which is annexed as Annexure-2 to the report and forms an integral part of this report.

**Annexure-1 to the Secretarial Audit Report**

Sl. No.	Subject Matter	Form yet to be filed	Remarks
1	Filing of Annual Return	MGT 7	Being Pursued
2	Listing Fee	Yet to be paid to the Stock Exchange	

**Annexure-2 to the Secretarial Audit Report**

To,  
The Members,  
**Dolphin Medical Services Ltd.,**  
CIN: L24239TG1992PLC014775,  
No. 417, Sanali Heavens, Ameerpet, Hyderabad-500073.  
My report of even date is to be read along with this letter.

- Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
- I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
- The Secretarial Audit report 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.

Place: Hyderabad  
Date: 04.12.2017

**Mr. Bharatiraju Vegiraju**  
**Company Secretary**  
**FCS: 8300 CP: 14926**

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

**Annexure - II**

as on the financial year ended on March 31, 2017[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I REGISTRATION AND OTHER DETAILS:**

i) CIN	L24239TG1992PLC014775
ii) Registration Date	21-09-1992
iii) Name of the Company	DOLPHIN MEDICAL SERVICES LIMITED
iv) Category / Sub-Category of the Company	Indian Non-Government Public Company Limited by Shares
v) Address of the Registered Office	#417, Sanali Heavens, Ameerpet, Hyderabad - 500 073, Telangana
vi) Whether listed Company	yes
vii) Name, Address of Registrar and Transfer Agent, if any	M/S.XL Softech Systems Ltd., #3, Sagar Society, Rd.No.2, Banjarahills, Hyderabad - 500 034.

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl.No	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Medical laboratory services	85195/ Diagnostic Laboratories	100%

**III SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

i) Category-wise Shareholding

S No	Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2016				No. of Shares held at the end of the year 31.03.2017				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(a)	Individuals/HUF	38,92,290	1,00,011	39,92,301	26.44	38,92,290	1,00,011	39,92,301	26.44	0.00
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(e)	Banks/FI	-	-	-	-	-	-	-	-	-
(f)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	<b>Sub - Total (A) (1):-</b>	<b>38,92,290</b>	<b>1,00,011</b>	<b>39,92,301</b>	<b>26.44</b>	<b>38,92,290</b>	<b>1,00,011</b>	<b>39,92,301</b>	<b>26.44</b>	0.00
(2)	Foreign									
(a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporates	-	-	-	-	-	-	-	-	-
(d)	Banks/FI	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	<b>Sub - Total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	-
	<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>38,92,290</b>	<b>1,00,011</b>	<b>39,92,301</b>	<b>26.44</b>	<b>38,92,290</b>	<b>1,00,011</b>	<b>39,92,301</b>	<b>26.44</b>	0.00

**B Public Shareholding**

**1 Institutions**

(a)	Mutual Funds	-	-	-	-	-	-	-	-	-
(b)	Banks/FI	200	-	200	-	200	-	200	-	0.00
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FIIIs	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(g)	Others	-	-	-	-	-	-	-	-	-
	<b>Sub - Total (B) (1):-</b>	<b>200</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>0.00</b>

**2 Non-Institutions**

a)	Bodies Corp.									
i)	Indian	2,72,923	4,650	2,77,573	1.84	2,59,023	4,650	2,63,673	1.75	-5.01
ii)	Overseas (OCB)	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual Shareholders holding nominal share capital up to Rs.1 lakh.	56,12,224	4,32,950	60,45,174	40.03	55,11,847	4,30,750	59,42,597	39.36	-1.70
ii)	Individual Shareholders holding nominal share capital in excess of Rs.1 lakh.	47,04,084	-	47,04,084	31.15	48,18,519	-	48,18,519	31.91	2.43
c)	Others (Specify)									
	Non Residents	79,620	1,000	80,620	0.53	81,662	1,000	82,662	0.55	2.53
	<b>Sub - Total (B) (2):-</b>	<b>1,06,68,851</b>	<b>4,38,600</b>	<b>1,11,07,451</b>	<b>73.56</b>	<b>1,06,71,051</b>	<b>4,36,400</b>	<b>1,11,07,451</b>	<b>73.56</b>	<b>-47.95</b>

<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1,06,69,051</b>	<b>4,38,600</b>	<b>1,11,07,651</b>	<b>73.56</b>	<b>1,06,71,251</b>	<b>4,36,400</b>	<b>1,11,07,651</b>	<b>73.56</b>	<b>1.00</b>
C Shares held by Custodian for GDR & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>1,45,61,341</b>	<b>5,38,611</b>	<b>1,50,99,952</b>	<b>100.00</b>	<b>1,45,63,541</b>	<b>5,36,411</b>	<b>1,50,99,952</b>	<b>100.00</b>	<b>0.00</b>

## ii) Shareholding of Promoters

S No	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			% change during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1	G V MOHAN PRASAD	19,18,792	12.71	0	19,18,792	12.71	0	0
2	M LAKSHMI SUDHA	12,44,598	8.24	0	12,44,598	8.24	0	0
3	G VIMALA KUMARI	2,55,000	1.69	0	2,55,000	1.69	0	0
4	G ESWARCHAND	1,10,000	0.73	0	1,10,000	0.73	0	0
5	MADALA SESHARATNAM	1,20,000	0.79	0	1,20,000	0.79	0	0
6	SAMBASIVA RAO MUSUNURU	70,400	0.47	0	70,400	0.47	0	0
7	M VIJAYA LAKSHMI	68,000	0.45	0	68,000	0.45	0	0
8	BALAMANMADA RAO MUSUNURU	62,300	0.41	0	62,300	0.41	0	0
9	MADALA MANJUSHA	20,000	0.13	0	20,000	0.13	0	0
10	G KRISHNA KUMARI	25,000	0.13	0	20,000	0.13	0	0
11	P PHANINDHAR	10,000	0.07	0	10,000	0.07	0	0
12	V SURAJ KUMAR	7,500	0.05	0	7,500	0.05	0	0
13	M PAPAIAH	7,500	0.05	0	7,500	0.05	0	0
14	VALLABHANENI BALAJI	7,500	0.05	0	7,500	0.05	0	0
15	LUKKA DURGA PRASAD	7,000	0.05	0	7,000	0.05	0	0
16	VADDE SRINIVASA RAO	6,500	0.04	0	6,500	0.04	0	0
17	K HARISH	5,000	0.03	0	5,000	0.03	0	0
18	A KOUSALYA	5,000	0.03	0	5,000	0.03	0	0
19	RAJENDRA MADALA	4,700	0.03	0	4,700	0.03	0	0
20	YADLAPALLI VISHNU VARDHANA RAO	4,500	0.03	0	4,500	0.03	0	0
21	DR.KESAVA KRISHNA	3,000	0.02	0	3,000	0.02	0	0
22	L USHA RANI	2,500	0.02	0	2,500	0.02	0	0
23	KESARANENI SUNIL KUMAR	2,500	0.02	0	2,500	0.02	0	0
24	K RADHIKA	2,500	0.02	0	2,500	0.02	0	0
25	K ANIL KUMAR	2,509	0.02	0	2,509	0.02	0	0
26	G SIVARAMAKRISHNA RAO	2,500	0.02	0	2,500	0.02	0	0
27	G S SRIDHAR	2,500	0.02	0	2,500	0.02	0	0
28	A V SEKHAR	2,500	0.02	0	2,500	0.02	0	0
29	P SARVARI	1,500	0.01	0	1,500	0.01	0	0
30	K ROOPA	1,500	0.01	0	1,500	0.01	0	0
31	K V R NARASIAH	1,500	0.01	0	1,500	0.01	0	0
32	Y NARASIMHA RAO	1,500	0.01	0	1,500	0.01	0	0
33	M NAGESWARA RAO	1,500	0.01	0	1,500	0.01	0	0



## v) Shareholding of Directors and Key Managerial Personnel

Sl. No	For each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>Directors</b>					
1	G V MOHAN PRASAD	19,18,792	12.71	19,18,792	12.71
2	M LAKSHMI SUDHA	12,44,598	8.24	12,44,598	8.24
	<b>TOTAL</b>	<b>31,63,390</b>	<b>20.95</b>	<b>31,63,390</b>	<b>20.95</b>

## IV. INDEBTEDNESS

in INR `000s

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the Beginning of the Financial Year				
i) Principal Amount	77,958.26	3,261.00	-	81,219.26
ii) Interest due but not paid	344.53	-	-	344.53
i) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>78,302.79</b>	<b>3,261.00</b>	-	<b>81,563.79</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	-	487.00	-	487.00
Reduction	-	-	-	-
<b>Net Change</b>	-	<b>487.00</b>	-	<b>487.00</b>
<b>Indebtedness at the end of the Financial year</b>				
i) Principal Amount	77,958.26	3,748.00	-	81,706.26
ii) Interest due but not paid	344.53	-	-	344.53
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>78,302.79</b>	<b>3,748.00</b>	-	<b>82,050.79</b>

**Note :** The Canara Bank has assigned its rights on the loan of Rs.804.58 lakhs favoring EARC. On 18.03.2015 the EARC has granted a Negotiated Settlement (NS) of dues at a total consideration of Rs.250.00 lakhs payable in installments specified therein. In terms of the NS the company has paid an amount of Rs.25.00 lakhs as Upfront payment.

**V REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A Remuneration to Managing Director, Whole time Directors and / or Manager:**

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		GV Mohan Prasad Managing Director	M Lakshmi Sudha, Whole-time Director	
1	Gross Salary	-	-	-
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
c)	Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, Please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act			

**B. Remuneration to other Directors**

Sl. No	Particulars of Remuneration	Name of Directors			Total Amount
		Narendra Seena Karkera	Vinay Vishnuraj Nayak	K. Ramana Kumar	
1	Independent Directors				
	Fee for attending board/committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors				
	Fee for attending board/committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act				

**C. Remuneration paid to Key Managerial Personnel other than MD, Whole time Directors**

Sl. No	Particulars of Remuneration	Key managerial Personnel	
		M Lakshmi Sudha, CFO	Total Amount
1	Gross Salary	-	-
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
c)	Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, Please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act		

## VI PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

**A.COMPANY****NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/Compounding fees imposed	Authority (RD / NCLT/COURT)	Appeal made, if any (Give Details)
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

**B.DIRECTORS**

Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

**C. OTHER OFFICERS IN DEFAULT**

Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

**Annexure - III****Details of Conversation of Energy**

<b>(A)</b>	<b>Conservation of energy-</b>	The Company being not a power intensive unit the scope for energy conservation efforts is limited
(i)	the steps taken or impact on conservation of energy;	
(ii)	the steps taken by the company for utilizing alternate sources of energy;	
(iii)	the capital investment on energy conservation equipments;	
<b>(B)</b>	<b>Technology absorption-</b>	Nil
(i)	The efforts made towards technology absorption;	
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution;	
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Not applicable
(a)	The details of technology imported;	
(b)	The year of import;	
(c)	Whether the technology been fully absorbed;	
(d)	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
(iv)	The expenditure incurred on Research and Development.	Nil
<b>(C)</b>	<b>Foreign exchange earnings and outgo-</b> The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.	NIL

**For and on behalf of the Board of Directors of  
Dolphin Medical Services Limited**

Place: Hyderabad

Date : 04.12.2017

Sd/-  
**Narendra Seena Karkera**  
Director



## Annexure - IV

**Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The ratio of remuneration of each director to the median remuneration of the employees of the Company, the percentage increase in remuneration of each director and CFO for FY 2016-2017

S No	Name	Designation	Ratio of remuneration of each director to the median remuneration of employees*	% Increase in remuneration during FY2016
<b>Executive directors</b>				
01	Venkata Mohan Prasad Gude	Managing Director	-	-
02	Lakshmi Sudha Madala	Whole-time Director	-	-
<b>Non-Executive Directors</b>				
03	Vinay Vishnuraj Nayak	Director	NA	NA
04	Narendra Seena Karkera	Director	NA	NA
05	Dr. K. Ramana Kumar	Director	NA	NA
<b>Key Managerial Personnel</b>				
06	Lakshmi Sudha Madala	CFO	NA	NA

The company has not paid any remuneration to the MD and WTD

**For and on behalf of the Board of Directors of  
Dolphin Medical Services Limited**

Place: Hyderabad  
Date : 04.12.2017

**Sd/-  
Narendra Seena Karkera  
Director**

**REPORT ON CORPORATE GOVERNANCE**

In India, the Securities and Exchange Board of India (SEBI) regulates corporate governance for listed companies through Clause 49 of the Listing Agreement (up to 30 November 2015) and through SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (with effect from 1 December 2015). Dolphin Medical Services Limited's is in full compliance with all the applicable provisions of the SEBI's corporate governance norms are set out below

**Corporate Governance Philosophy**

The company is committed to ensure high standards of transparency and accountability in all its activities. The best management practices and high levels of integrity in decision making are followed to ensure long term wealth generation and creation of value for all the stakeholders. The company follows all the principles of corporate governance in its true spirit and at all times.

**1. Board of Directors**

The Board of Directors has an optimum combination of Executive and Non-Executive Directors and its composition is in conformity with Regulation 17 of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 read with Section 149 of the Companies Act 2013 ("Act"). All the Directors have made the requisite disclosures regarding directorships and Committee positions held by them in other Companies.

i- As on March 31, 2017, the Board of the Company consists of Five (5) Directors comprising of one (1) Managing Directors, and Two (2) is Independent Directors. And one (1) is Non-Executive Directors.

Following was the composition of directors as on March 31, 2017:

S. No	Name	Category	In other Directorship	Companies committee Membership
1	Dr. GV Mohan Prasad	Executive Promoter Director	2	NIL
2	Dr. M Lakshmi Sudha	Executive Promoter Director	2	NIL
3	Dr. K. Ramana Kumar	Non-Executive and Independent Director	NIL	NIL
4	Sri Vinay Vishnuraj Nayak	Non-Executive and Independent Director	1	NIL
5	Sri Narendra Seena Karkera	Non-Executive and Independent Director	NIL	NIL

Notes:

- Other directorships exclude foreign companies, private limited companies and alternate directorships.
- Only membership in Audit Committee and Stakeholders' Relationship Committee has been reckoned for other committee memberships.

ii-None of the Independent Directors on the Board holds directorships in more than Seven Listed companies. Further, none of the Director was a member of more than ten committees or chairman of more than five committees across all the public companies in which he was a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2017 have been made by the Directors. All the directors mentioned as part of the Promoter Group in the above list are related to each other in the following manner.

iii- Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet with the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act

iv- Six Board Meetings were held during the year and the gap between two consecutive meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held are: 26.05.2016, 11.08.2016, 25.08.2016, 29.09.2016, 14.11.2016 and 14.02.2017.

The attendance of each Director at the Board Meetings and last Annual General Meeting held during the year under review are as under:

Name of Director	Meetings		Attendance at last AGM held on September 29, 2016
	Held	Attended	
Dr. GV Mohan Prasad	6	6	Yes
Dr. M Lakshmi Sudha	6	6	Yes
Dr. K. Ramana Kumar	6	5	Yes
Sri Vinay Vishnuraj Nayak	6	6	Yes
Sri Narendra Seena Karkera	6	6	Yes

v- Details of equity shares of the Company held by the Directors as on March 31, 2017 are given below:

Name of the Director	Category	Number of equity shares
Dr. GV Mohan Prasad	Executive - Promoter Group	19,18,792
Dr. M Lakshmi Sudha	Executive - Promoter Group	12,44,598

vi-The non-executive directors did not hold any equity shares in the company.

vii-The Company has not issued any convertible instruments. None of the Non-Executive Directors are holding any shares in the company as on 31<sup>st</sup> March 2017.

viii-Disclosure of relationship between directors inter-se:

Dr. GV Mohan Prasad is spouse of Dr. M Lakshmi Sudha.

## 2. AUDIT COMMITTEE

The audit committee of the Company has been constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act.

i. The audit committee comprised of 2 Non Executive directors and 1 Executive Director

ii-The terms of reference of the audit committee is as per the Schedule II Part C of the SEBI (LODR),2015 which include:

- 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;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions
  - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;
- Approval or any subsequent modifications of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Examination of the financial statement and the auditors' report thereon;
- Evaluation of internal financial controls;
- Establishment of vigil mechanism for directors and employees to report genuine concerns.
- Calling for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and discussions on any related issues with the internal and statutory auditors and the management of the Company;

iii- Review of the information required as per SEBI Listing Regulations.

iv- The previous Annual General Meeting ("AGM") of the Company was held on September 29, 2016 and was attended by Sri Narendra Seena Karkera, Chairman of the audit committee.

The composition of the Audit Committee and the details of attendance at its meetings are given below:

Name of the Director	Category	Number of committee meetings	
		Held	Attended
Sri Narendra Seena Karkera – Chairman	Independent & Non-Executive Director	5	5
Sri Vinay Vishnuraj - Member	Independent & Non-Executive Director	5	5
Dr M Lakshmi Sudha - Member	Executive Director	5	5

v. Audit committee met 5 times during the year and the dates of such meeting are:  
: 26.05.2016, 11.08.2016, 25.08.2016, 14.11.2016 and 14.02.2017

### 3. Nomination and Remuneration Committee

#### (I) Brief description of terms of reference is for:

- (A) appointment of the directors, and key managerial personnel of the Company; and
- (B) fixation of the remuneration of the directors, key managerial personnel and other employees of the Company.

#### (II) Composition of committee

The Nomination and Remuneration Committee comprised of the following directors for the year ended 31st March 2017:

1. Sri Vinay Vishnuraj Nayak - Chairman
2. Sri Narendra Seena Karkera - Member
3. Dr. K. Ramana Kumar – Member

#### (III) Attendance of each Director at Nomination & Remuneration Committee Meeting

Name of the Director	Category	Number of committee meetings	
		Held	Attended
Sri Vinay Vishnuraj Nayak – Chairman	Independent & Non-Executive Director	1	1
Sri Narendra Seena Karkera – Member	Independent & Non-Executive Director	1	1
Dr. K. Ramana Kumar – Member	Independent & Non-Executive Director	1	1

This committee recommends the appointment/reappointment of executive directors and the appointments of employees from the level of vice-president and above along with the remuneration to be paid to them based on the operational need. The remuneration is fixed keeping in mind the persons track record, his/her potential individual performance, the market trends and scales prevailing in the similar industry. The Remuneration Committee comprises of 3 non-executive and independent directors. Sri Vinay Vishnuraj Nayak was the chairman of the committee. Sri Narendra Seena Karkera and Dr. K. Ramana Kumar are the other members. During the financial year 2016-2017 the committee met on 14.02.2017.

#### Criteria for Performance evaluation:

#### (IV) Remuneration Policy:

The Policy inter alia provides for the following:

- (a) attract, recruit, and retain good and exceptional talent;
- (b) list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- (c) ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognizes their merits and achievements and promotes excellence in their performance;

- (d) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- (e) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- (f) fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.
- (b) list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- (c) ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- (d) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- (e) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- (f) fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.

**(V) Criteria for making payments to Non- Executive Directors:**

The Company has not made any payments to the Non- Executive Directors except travelling expenses for attending Board of Directors meetings.

**(VI) Remuneration paid to Directors**

Of the total 5 directors, 2 are executive directors. The remuneration payable to these directors is determined by the Board on the recommendation of the remuneration committee. This is subject to the approval of the shareholders at the Annual General Meeting and that of the Central Government and such other authorities as may be necessary. However no remuneration is being paid even to the Executive Directors. The non executive directors do not draw any remuneration from the company except travelling expenses for attending the meetings of the board and the committees.

- a) **Details of Remuneration paid to the all the Directors during the financial year 2016-2017 – NIL**
- b) **Details of Sitting Fees paid to Non-Executive Directors during the financial year 2016-2017 - NIL**

**4. Stakeholders' Relationship Committee:**

Sri Vinay Vishnuraj Nayak, Non-Executive Independent Director was the Chairman of the committee. Dr M Lakshmi Sudha, Executive director and Sri Narendra Seena Karkera, Non-Executive Independent Director are the other members of the committee which also constitute as Share Transfer Committee to approve share transfer, transmissions, issue of duplicate share certificates, rematerialisation of shares etc.

The committee met regularly to approve share transfers, transmissions, issue of duplicate share certificates, rematerialisation of shares and all other issues pertaining to shares and also to redress investor grievances like non receipt of dividend warrants, non receipt of share certificates, etc. The committee regularly reviews the movement in shareholding and ownership structure. The committee also reviews the performance of the Registrar and Share Transfer Agents. The committee met 4 times during the year 2016-2017. There are no transfer of shares in physical form during this year.

**Complaints received and redressed during the year 2016-2017**

S.No.	Nature of Complaints	Number of Complaints
1.	Regarding annual report	5
2.	Revalidation of dividend warrant	
3.	Issue of duplicate share certificate	
4.	Issue of duplicate dividend warrant	
5.	Procedure for transmission	
6.	General queries	
7.	Non receipt of dividend	
8.	Correction in share certificate	
9.	Change of address	
10.	Unclaimed dividend	
11.	Correction in dividend cheque	5
	<b>TOTAL</b>	

SEBI vide Circular Ref: CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. Dr. M Lakshmi Sudha is the compliance officer of the company. For any clarification / complaint the shareholders may contact Dr. M Lakshmi Sudha, Compliance Officer at the registered office of the company.

#### 5. Meeting of Independent Directors:

The Independent Directors of the Company had met during the year on 14.02.2017 to review the performance of non- Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had accessed the quality, quantity and timeliness of flow of information between the company management and the Board.

#### 6. Familiarization programme for Independent Directors

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry.

#### 7. Annual General Meetings

The details of the Annual General Meetings / Extraordinary General Meeting held in the last three years are as follows:

##### (i) Annual General Meetings of the Company :

Venue	Financial Year	Date & Time
Maharaja Function Hall, 1-54, Beside Andhra Bank, Warangal Highway, Uppal, Hyderabad – 500 039	2013-2014	30 <sup>th</sup> September, 2014, 10.30 A.M
Maharaja Function Hall, 1-54, Beside Andhra Bank, Warangal Highway, Uppal, Hyderabad – 500 039	2014-2015	30 <sup>th</sup> December, 2015, 09.30 A.M
Maharaja Function Hall, 1-54, Beside Andhra Bank, Warangal Highway, Uppal, Hyderabad – 500 039	2015-2016	29 <sup>th</sup> September, 2016, 10.30 A .M

##### (ii) The details of special resolutions passed in AGM in the last 3 years are as follows:

AGM	Subject
September 30, 2014	Nil
December 30, 2015	Nil
September 29, 2016	Nil

##### (iii) Whether special resolutions were put through postal ballot last year, details of voting pattern:

No special resolutions were passed by the shareholders of the company through postal ballot during the year 2015-2016.

##### (iv) Whether any resolutions are proposed to be conducted through postal ballot:

No Special Resolution is proposed to be conducted through Postal Ballot.

#### 8. Subsidiary Companies: The company has no Subsidiary Companies

#### 9. Whistle Blower Policy

The company has an established mechanism for Directors / Employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. The company affirms that no personnel have been denied access to the audit committee. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters within 60 days after becoming aware of the same. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee at e-mail id [dolphincomplianceofficer@gmail.com](mailto:dolphincomplianceofficer@gmail.com). The key directions / actions will be informed to the Executive Director of the Company.

#### 10. Disclosures

##### (a) Related Party Transaction:

There have been no materially significant related party transactions with the company's promoters, directors, the management, their subsidiaries or relatives which may have potential conflict with the interests of the company at large. The necessary disclosures regarding the transactions are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the audit committee and Board of directors were taken wherever required in accordance with the Policy.

**(b) Accounting Treatment:**

In the preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Accounting Standards.

**(c) Management Discussion and Analysis**

Management Discussion and Analysis Report is set out in a separate Section included in this Annual Report and forms part of this Report.

**(d) Compliances:**

There have been no instances of non-compliance by the company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

**(e) Director /CFO Certification**

The Director and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on March 31, 2017 in compliance with Regulation 15 of the Listing Regulation, 2015.

**(f) Reconciliation of Share Capital Audit**

A quarterly audit was conducted by a Practicing Chartered Accountant, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31<sup>st</sup> March 2017 there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories.

**11. Means of Communication**

(a) The quarterly, half-yearly and annual results are published in leading newspapers. These are not sent individually to the shareholders.

(b) The company's website address is: [www.dolphinmedicalservices.com](http://www.dolphinmedicalservices.com). The website contains basic information about the company and such other details as required under the listing agreement. The company ensures periodical updating of its website. The company has designated the email-id [dolphincomplianceofficer@gmail.com](mailto:dolphincomplianceofficer@gmail.com) to enable the shareholders to register their grievances.

(c) Pursuant to the listing agreement, all data related to quarterly financial results, shareholding pattern, etc., are filed in BSE within the time frame prescribed in this regard.

(d) No presentations have been made to institutional investors or to analysts.

**12. Code of Conduct for the Board of Directors and the Senior Management**

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said code of conduct is available on the website [www.dolphinmedicalservices.com](http://www.dolphinmedicalservices.com). As provided under clause 49 of the listing agreement with the stock exchanges, the Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2016-2017.

**13. General Shareholder Information****a) Company Registration details:**

The Company is registered in the State of Telangana, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is **L24239TG1992PLC014775**

**b) Annual General Meeting**

Date and time.	:	29.12.2017 at 09.45 AM
Venue	:	Maharaja Function Hall, 1-54, Beside Andhra Bank, Warangal Highway, Uppal, Hyderabad – 500 039
Book Closure Date	:	25.12.2017 to 29.12.2017 (both days inclusive)
Financial Year	:	1 <sup>st</sup> April to 31 <sup>st</sup> March

**c) Registered Office:**

#417, Sanali Heavens, Ameerpet, Hyderabad – 500 073, Telangana

**d) Financial Year**

Financial year is 1<sup>st</sup> April to 31<sup>st</sup> March and financial results will be declared as per the following schedule.

Financial Calendar 2017-2018	
Particulars	Tentative Schedule
Quarter ending on 30 <sup>th</sup> June, 2017	August 14, 2017
Quarter ending on 30 <sup>th</sup> September, 2017	November 13, 2017
Quarter ending on 31 <sup>st</sup> December, 2017	On or before February 14, 2018
Quarter ending on 31 <sup>st</sup> March, 2018 & Annual Result of 2017-2018	On or before May 30, 2018
Date of Book Closure	25.12.2017 to 29.12.2017 (both days inclusive)

**e) Book closure date:**

The Register of Members and Share Transfer Books of the Company will be closed from Monday, December 25, 2017 to Friday, December 29, 2017 (both days inclusive) for the purpose of 25<sup>th</sup> Annual General Meeting.

**f) Particulars of Dividend for the year ended 31.03.2017**

Company has not declared any dividend.

**g) Listing of Shares**

Name of the Stock Exchange : BSE Limited, Mumbai  
 Stock Code : 526504  
 ISIN allotted by Depositories (Company ID Number) : INE796B01013

(Note: Annual Listing fees for the year 2016-17 was not paid to the above stock exchange)

**h) Stock Market Data**

Month	Highest	Lowest	Month	Highest	Lowest
April, 16	1.12	0.82	October	1.13	0.89
May	0.86	0.68	November	1.05	0.84
June	0.77	0.65	December	1.36	1.00
July	0.85	0.70	January, 17	1.69	1.35
August	1.24	0.89	February	2.08	1.59
September	1.33	1.09	March	2.08	1.45

**i) Registrar and Share Transfer Agents**

M/s. XL Softech Systems Limited, having its registered office at #3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034 are the Registrars for the demat segment and also the share transfer agents of the company, to whom communications regarding share transfer and dematerialization requests must be addressed. All matters connected with share transfer, transmission, dividend payment is handled by the share transfer agent. Share transfers are processed within 15 days of lodgement. A Compliance officer certifies on a quarterly basis the timely dematerialization of shares of the company.

**j) Request to Investors**

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to avoid risks while dealing in the securities of the company.

- Shareholders are requested to convert their physical holding to demat/electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.
- Shareholders holding shares in physical form should communicate the change of address, if any, directly to the Registrars and Share Transfer Agent of the company.
- It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.
- Shareholders holding shares in physical form who have not availed nomination facility and would like to do so are requested to avail the same, by submitting the nomination in Form 2B. The form will be made available on request. Those holding shares in electronic form are advised to contact their DPs.
- As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorized persons.



k) Shareholding Pattern as on 31<sup>st</sup> March 2017

Particulars	Number of Share holders	Shares held in Physical form	Shares held in dematerialized form	Total Number of shares held	% of capital
<b>Promoter and Promoter Group</b>	-	-	-	-	-
a.Bodies Corporate	-	-	-	-	-
b.Individuals	44	1,00,011	38,92,290	39,92,301	26.44%
<b>Total</b>	<b>44</b>	<b>1,00,011</b>	<b>38,92,290</b>	<b>39,92,301</b>	<b>26.44%</b>
<b>Public Shareholding</b>					
<b>I. Institutions</b>	-	-	-	-	-
a.Mutual Funds/UTI	-	-	-	-	-
b.Financial Institutions/Banks	1	-	200	200	0.00%
c.Insurance Companies	-	-	-	-	-
d.Foreign Institutional Investors	-	-	-	-	-
<b>II. Non Institutions</b>					
a.Bodies Corporate	88	4,650	2,45,223	2,49,873	1.65%
b.Individuals	5,889	4,30,750	1,03,30,366	1,07,61,116	71.27%
c.Non Resident Indians	23	1,000	81,662	82,662	0.55%
d.Others	8	-	13,800	13,800	0.09%
<b>Total</b>	<b>6,053</b>	<b>5,36,411</b>	<b>1,45,63,541</b>	<b>1,50,99,952</b>	<b>100%</b>

l) Distribution of Shareholding as on 31<sup>st</sup> March 2017

The distribution of shareholding as on 31<sup>st</sup> March, 2017:

No. of Equity Shares held	No. of Share Holders	No. of shares	% age of Capital
Up to 500	3,522	8,01,113	5.31
501 – 1000	1,019	9,00,877	5.97
1001 – 2000	616	10,17,085	6.74
2001 – 3000	240	6,39,069	4.23
3001 – 4000	129	4,85,062	3.21
4001 – 5000	144	6,88,310	4.56
5001 – 10000	223	17,16,110	11.37
10001 and above	160	88,52,326	58.61
Grand Total	6,053	150,99,952	100.00
No. of Shares in Physical Mode		5,36,411	3.55
No. of Shares in Electronic Mode		145,63,541	96.45

m) **Plant Location:** #29-12-13A, Ramachandra Rao Road, Vijayawada, Andhra Pradesh.

n) **Address for Correspondence**

To contact Registrars & Share Transfer Agents for matters relating to shares

M/s. XL Softech Systems Ltd

#3, Sagar Society, Road No.2,

Banjara Hills, Hyderabad – 500 034, Telangana

Tel : 91-40 23545913, 91-40 23545914

E-mail: [xffield@rediffmail.com](mailto:xffield@rediffmail.com)

For any other general matters or in case of any difficulties / grievance

Dr M Lakshmi Sudha

Compliance Officer

Tel/Fax : 91-40-23738877

E-mail : [dolphincomplianceofficer@gmail.com](mailto:dolphincomplianceofficer@gmail.com)

**14. Non-Mandatory Disclosures:**

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

**(i) The Board**

Independent Directors possess the requisite qualification and experience to contribute effectively to the company in their capacity as independent director.

**(ii) Shareholders Right:**

The quarterly, half yearly and annual results of your Company with necessary report thereon are published in newspapers. The same are also available at the sites of the stock exchanges where the shares of the Company are listed i.e. [www.bseindia.com](http://www.bseindia.com).

**(iii) Audit Qualifications**

The statutory financial statements of the company are unqualified.

**(iv) Reporting of Internal Auditor**

The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Meeting for reporting their findings of the internal audit to the Audit Committee Members. The Internal Auditor of the company directly reports to the Audit Committee.

**Certification by Director and Chief Financial Officer (CFO) to the Board**

We, Narendra Seena Karkera, Director, and M.Lakshmi Sudha, Chief Financial Officer of Dolphin Medical Services Ltd., certify that:

1. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the state of affairs of the company and are in compliance with existing accounting standards, applicable laws and regulations.
2. 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. We accept overall responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness, of internal control. The internal auditor works with all levels of management and statutory auditors and reports significant issues to the audit committee of the Board. The auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.
4. We indicate to the auditors and to the audit committee:
  - a) Significant changes in internal control over financial reporting during the year;
  - b) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the company's internal control system and financial reporting. However, during the year there was no such instance.

Place: Hyderabad

Date : 04.12.2017

Sd/--

**Narendra Seena Karkera**  
Director

Sd/--

**M.Lakshmi Sudha**  
Chief Financial Officer

**Certificate on Corporate Governance**

To,  
The Members of Dolphin Medical Services Ltd.

We have examined the compliance of conditions of Corporate Governance by M/s. Dolphin Medical Services Ltd ("the Company") for the year ended on 31<sup>st</sup> March 2017 as stipulated in Clause 49 of the Listing Agreement (up to 30<sup>th</sup> November 2015) and Schedule V of Listing Regulations (with effect from 1<sup>st</sup> December 2015) of the said company with the stock exchange(s) in India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the

conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements 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 in general with the conditions of corporate governance as stipulated in the above mentioned Listing Regulation.

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 Pinnamaneni & Co.,  
Chartered Accountants**

Place: Hyderabad  
Date : 04.12.2017

Sd/-  
**CA P.V.V.Satyanarayana  
Partner  
Member Ship. No.026600**

#### DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors  
M/s Dolphin Medical Services Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/ transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) the statutory audit firm or the internal audit firm that is associated with the Company  
and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Date: 29.05.2017  
Place: Hyderabad

Sd/-  
**NARENDRA SEENA KARKERA  
(Independent director)**

#### DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors  
M/s Dolphin Medical Services Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions.

However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.

- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
- (i) the statutory audit firm or the internal audit firm that is associated with the Company  
and
- (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Sd/-

VINAY VISHNU RAJ NAYAK  
(Independent director)

Date: 29.05.2017

Place: Hyderabad

#### DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors  
M/s Dolphin Medical Services Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
- (i) the statutory audit firm or the internal audit firm that is associated with the Company  
and
- (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You

Yours Faithfully,

Sd/-

Dr. K. RAMANA KUMAR  
(Independent director)

Date: 29.05.2017

Place: Hyderabad

**Independent Auditor's Report****To the Members of M/s. DOLPHIN MEDICAL SERVICES LIMITED  
Report on the Financial Statements**

We have audited the accompanying financial statements of **M/s. DOLPHIN MEDICAL SERVICES LIMITED** ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its loss and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position except dispute regarding the premises.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the investor education and protection fund by the Company.

**For PINNAMANENI & CO.,**  
 CHARTERED ACCOUNTANTS  
 F.R.No. 002661S

Hyderabad  
 29.05.2017

Sd/-  
**CA PVV SATYANARAYANA**  
 Partner  
 Membership No. 026600

#### **Annexure - A to the Auditors' Report**

The Annexure "A" to the Independent Auditors' Report of DOLPHIN MEDICAL SERVICES LIMITED for the year ended 31 March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to such program, a portion of fixed asset has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- (iii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans, made any investments, provided any guarantees, and given any security to which the provisions of section 185 and 186 of the Companies Act, 2013 are applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits and accordingly paragraph 3 (v) of the Order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.
- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- (viii) According to the books and records examined by us, and information and explanations given to us, Canara Bank has assigned its rights on the loan favoring Edelweiss Asset reconstruction Company Ltd. (EARC). On 18.03.2015 the EARC has granted a Negotiated Settlement (NS) of dues at a total consideration of Rs.250.00 lacs payable in installments specified therein. In terms of the NS the company has paid an amount of Rs.25.00 lacs as Upfront payment. The company has not issued any debentures.
- (ix) The company has not obtained any term loans or raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) According to the information and explanations given to us, no fraud by the Company or on by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company has not paid/provided for managerial remuneration during the year under audit and accordingly paragraph 3 (xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For PINNAMANENI & CO.,**  
 CHARTERED ACCOUNTANTS  
 F.R.No. 002661S

Sd/-  
**CA PVV SATYANARAYANA**  
 Partner  
 Membership No. 026600

Hyderabad  
 29.05.2017

#### **Annexure - B to the Auditors' Report**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **M/s. DOLPHIN MEDICAL SERVICES LIMITED** ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly

and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on

Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For PINNAMANENI & CO.,**  
**CHARTERED ACCOUNTANTS**  
 F.R.No. 002661S

Sd/-  
**CA PVV SATYANARAYANA**  
 Partner  
 Membership No. 026600

Hyderabad  
 29.05.2017



**Balance Sheet as at 31st March, 2017**

Amount in Rupees

PARTICULARS	Note No	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	150,999,520.00	150,999,520.00
(b) Reserves and Surplus	2	-26,101,997.20	-23,427,763.76
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	82,050,795.75	81,563,795.75
(b) Deferred tax liabilities (Net)	4	5,861,680.00	6,204,387.00
<b>(3) Current Liabilities</b>			
(a) Trade payables		17,495.00	11,180.00
(b) Other current liabilities		674,011.04	630,105.60
<b>Total</b>		<b>213,501,504.59</b>	<b>215,981,224.59</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
<i>(a) Fixed assets</i>			
(i) Tangible assets	5	100,296,393.63	103,639,733.63
(ii) Intangible assets under development	6	37,848,367.00	37,848,367.00
(iii) Capital work-in-progress		21,426,627.00	21,426,627.00
(b) Non-current investments	7	4,100,000.00	5,225,000.00
(c) Long term loans and advances		28,195,000.00	28,195,000.00
(d) Other non-current assets	8	679,422.00	679,422.00
<b>(2) Current assets</b>			
(a) Inventories		49,270.00	78,100.00
(b) Cash and cash equivalents	9	83,719.96	66,269.96
(c) Short-term loans and advances	10	20,612,705.00	18,612,705.00
(d) Other current assets		210,000.00	210,000.00
<b>Total</b>		<b>213,501,504.59</b>	<b>215,981,224.59</b>
Significant Accounting Policies			
Notes on Accounts			

for DOLPHIN MEDICAL SERVICES LIMITED

Sd/-

Dr. G. V. MOHAN PRASAD

Managing Director

Sd/-

Dr. M. LAKSHMI SUDHA

Director &amp; CFO

Place : Hyderabad

Date : 29.05.2017

As per our report of even date

for PINNAMANENI &amp; CO.,

CHARTERED ACCOUNTANTS

Sd/-

CA P.V.V.SATYANARAYANA

Partner

**Profit and Loss statement for the year ended 31st March, 2017**

Amount in Rupees

PARTICULARS	Note No	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I. Revenue from operations	11	3,513,400.00	5,669,100.00
II. Other Income		1,069,030.00	1,499,200.00
<b>III. Total Revenue (I + II)</b>		<b>4,582,430.00</b>	<b>7,168,300.00</b>
<i>IV. Expenses:</i>			
Cost of materials consumed	12	823,461.00	1,705,390.00
Employee benefit expense	13	377,240.00	390,000.00
Financial costs	14	46,717.31	559,712.43
Depreciation and amortization expense	5	3,343,340.00	3,356,960.00
Other expenses	15	3,008,612.13	1,849,578.84
<b>Total Expenses</b>		<b>7,599,370.44</b>	<b>7,861,641.27</b>
V. Profit/(Loss) before exceptional and extraordinary items and tax	(III - IV)	-3,016,940.44	-693,341.27
VI. Profit/(Loss) before tax		<b>-3,016,940.44</b>	<b>-693,341.27</b>
VII. Tax expense:			
Income Tax		—	—
Deferred tax		-342,707.00	-230,471.00
VIII. Profit/(Loss) for the period from continuing operations	(V - VII)	-2,674,233.44	-462,870.27
IX. Profit/(Loss) for the period		<b>-2,674,233.44</b>	<b>-462,870.27</b>
X. Earning per equity share:			
(1) Basic		-0.18	-0.03
(2) Diluted		-0.18	-0.03

for DOLPHIN MEDICAL SERVICES LIMITED

Sd/-

Dr. G. V. MOHAN PRASAD

Managing Director

Sd/-

Dr. M. LAKSHMI SUDHA

Director &amp; CFO

Place : Hyderabad

Date : 29.05.2017

As per our report of even date

for PINNAMANENI &amp; CO.,

CHARTERED ACCOUNTANTS

Sd/-

CA P.V.V.SATYANARAYANA

Partner

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2017**

<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
<b>Net Profit/(Loss) after tax</b>	(2,674,233.44)
<b>Adjustment For</b>	
Depreciation	3,343,340.00
Proposed Dividend	---
Profit/Loss on Fixed Assets/Investments	875,000.00
Interest & Finance Charges	46,717.31
Prel. Exp.W/o	---
<b>Operating Profit/(Loss) before working capital charges</b>	<b>1,590,823.87</b>
<b>Adjustment For</b>	
Increase/ Decrease in inventory	28,830.00
Increase/ Decrease in Loans & Advances	(2,000,000.00)
Increase/ Decrease in Deposits	---
Increase/ Decrease in Other Current Assets	---
Increase/ Decrease in Trade payables	6,315.00
Increase/ Decrease in Trade Receivables	---
Increase/ Decrease in Current Liabilities	(2,811.87)
Provision for Deferred tax	(342,707.00)
<b>Cash generated from operations (A)</b>	<b>(719,550.00)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Purchase of Fixed Assets	—
Increase/Decrease in Capital Work in progress	—
Sale of Fixed Assets	—
Purchase of Investment	—
Sale of Investment	250,000.00
Interest received	—
Dividend received	—
Finance Charges paid	---
<b>Net cash flow from investing activities (B)</b>	<b>250,000.00</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>	
Increase/Decrease in Minority Interest	—
Proceeds from Borrowings	487,000.00
Payment of Borrowings	—
Dividend paid	—
Increase/Decrease in Intangible Assets	—
<b>Net cash used in Financing Activities (C)</b>	<b>487,000.00</b>
Net Increase /(Decrease) incash and cash equivalents (A+B+C)	17,450.00
Cash and Cash equivalents as at previous year	66,269.66
Cash and Cash equivalents as at current year	83,719.96

for DOLPHIN MEDICAL SERVICES LIMITED

Sd/-

Dr. G. V. MOHAN PRASAD

Managing Director

Sd/-

Dr. M. LAKSHMI SUDHA

Director &amp; CFO

Place : Hyderabad

Date : 29.05.2017

As per our report of even date

for PINNAMANENI &amp; CO.,

CHARTERED ACCOUNTANTS

Sd/-

CA P.V.V.SATYANARAYANA

Partner

**NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2017****I. SIGNIFICANT ACCOUNTING POLICIES****a. Basis of Preparation of Financial Statements**

The financial statements have been prepared under historical cost convention and in conformity with the generally accepted accounting principles in India, the Accounting Standards notified under Sub-section 3(C) of Section 211 of the Companies Act, 1956 of India and other relevant provisions of the Act. All inter company transactions between subsidiary companies are eliminated.

**b. Income and Expenditure**

All items and expenditure shown in the statement having material bearing on the accounts are accounted on accrual basis.

**c. Fixed Assets**

Fixed Assets are stated at cost of acquisition. Cost of acquisition is inclusive of freight, duties, levies, preparatory works, erection, installation and all incidentals attributable to bringing the asset to its working condition.

**d. Capital Work in Progress**

The assets under installation or under construction, related advances and pending allocations as at the Balance Sheet date are shown as Capital Work in Progress.

**e. Depreciation**

Depreciation is computed on Straight Line method basis in accordance with the provision of Schedule XIV of the Companies Act, 1956.

**f. Investments**

Investments are stated at cost of acquisition and the same are considered as long term investments.

**g. Provision for Tax**

Provision for tax has been computed on the basis of Profits in accordance with the Income Tax Act, 1961.

**h. Deferred Income Tax**

The Company has accounted for Deferred Tax in accordance with the Accounting Standard-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

Deferred tax is accounted for by computing the tax effect of timing differences, which arise during the year and reverse in subsequent periods.

The deferred Tax Liability for the current year amounting to Rs.3.42Lakhs is shown in the Profit and Loss account under provision for deferred tax. As at the year end, deferred Tax liability aggregates to Rs.58.61 Lakhs.

**i. Employee Benefits**

Provident fund: The Company makes contribution to Provident Fund administered by the Central Government under the Provident Fund Act, 1952.

**j. Contingent Liabilities**

Contingent Liabilities are generally not provided for in the accounts and are shown separately if any in the notes on accounts.

**II. NOTES ON ACCOUNTS**

Notes to the accounts forming part of Balance Sheet as on 31st March 2017 and Profit and Loss account for the year ended on that date.

1. All the fixed assets are located in India and are as detailed in Notes.
2. The stocks are valued at cost or market value whichever is less.
3. Contingent liabilities not provided for.
4. Figures have been re-grouped wherever necessary.
5. Confirmation of balances are not obtained for sundry creditors and advances made.

for DOLPHIN MEDICAL SERVICES LIMITED

Sd/-

Dr. G. V. MOHAN PRASAD  
Managing Director

Sd/-

Dr. M. LAKSHMI SUDHA  
Director & CFO

As per our report of even date  
for PINNAMANENI & CO.,  
CHARTERED ACCOUNTANTS

Sd/-

CA P.V.V.SATYANARAYANA  
Partner

Place: Hyderabad

Date : 29.05.2017

## Notes on Accounts

Amount in Rupees

	PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
1	<b>Share Capital</b>		
a	<b>Authorised</b>		
	2,50,00,000 Equity Shares of Rs.10/- each	250,000,000.00	250,000,000.00
b	<b>ISSUED CAPITAL</b>		
	1,62,75,300 Equity Shares of Rs.10/- each	162,753,000.00	162,753,000.00
c	<b>SUBSCRIBED &amp; PAID UP CAPITAL</b>		
	1,50,99,952 Equity Shares of Rs.10/- each	<b>150,999,520.00</b>	<b>150,999,520.00</b>
1.1	<b>Details of Share Holders holding more than 5% Shares</b>		
	Name of the Share Holder	No. of Shares % held	No. of Shares % held
	GV Mohan Prasad	1,918,792 12.71	1,918,792 12.71
	M Lakshmi Sudha	1,244,598 8.24	1,244,598 8.24
1.2	<b>Reconciliation of Shares outstanding is set out below</b>		
	Equity Shares at the beginning in the year	15,099,952	15,099,952
	Additions during the year	0	0
	Equity Shares at the closing of the year	15,099,952	15,099,952
2	<b>Reserves and Surplus</b>		
a	Capital Reserve	3,225,000.00	3,225,000.00
b	Share Premium	23,689,704.00	23,689,704.00
c	Profit & Loss Account Profit/Loss(-)		
	Opening Balance	<b>-50,342,467.76</b>	<b>-49,879,597.49</b>
	Add: Profit/Loss (-) during the year	-2,674,233.44	-462,870.27
	<b>Total</b>	<b>-53,016,701.20</b>	<b>-50,342,467.76</b>
		<b>-26,101,997.20</b>	<b>-23,427,763.76</b>
3	<b>Long Term Borrowings</b>		
	Loan from Directors	3,748,000.00	3,261,000.00
	Term Loan	78,302,795.75	78,302,795.75
	<b>Total</b>	<b>82,050,795.75</b>	<b>81,563,795.75</b>
	(The Canara Bank has assigned its rights on the loan of Rs. 804.58 lakhs favoring EARC. On 18.03.2015 the EARC has granted a Negotiated Settlement (NS) of dues at a total consideration of Rs.250.00 lakhs payable in installments specified therein. In terms of the NS the company has paid an amount of Rs.25.00 lakhs as Upfront payment)		
4	<b>Deferred tax liabilities (Net)</b>		
	Opening Balance	6,204,387.00	6,434,858.00
	Add: Current year (Asset)/Liability	-342,707.00	-230,471.00
	<b>Total</b>	<b>5,861,680.00</b>	<b>6,204,387.00</b>
6	<b>Intangible Assets under development</b>		
	Research & Development Expenditure	16,300,662.00	16,300,662.00
	Miscellaneous Expenditure (to the extent not written off or adjusted)	21,547,705.00	21,547,705.00
	<b>Total</b>	<b>37,848,367.00</b>	<b>37,848,367.00</b>
7	<b>Non-current investments</b>		
	Meridian Projects Limited	3,200,000.00	3,200,000.00
	Cosmic Fortunes India Ltd.	900,000.00	900,000.00
	Bridge Corporate Services Pvt. Ltd.	--	575,000.00
	Evum Life Sciences Pvt. Ltd.	--	550,000.00
	<b>Total</b>	<b>4,100,000.00</b>	<b>5,225,000.00</b>
8.	<b>Other non-current assets</b>		
	Rent Deposit	575,920.00	575,920.00
	Electricity Deposit	103,502.00	103,502.00
	<b>Total</b>	<b>679,422.00</b>	<b>679,422.00</b>
9	<b>Cash and cash equivalents</b>		
	Cash in Hand	73,277.00	52,100.00
	Balance with Banks	10,442.96	14,169.96
	<b>Total</b>	<b>83,719.96</b>	<b>66,269.96</b>
10	<b>Short-term loans and advances</b>		
	Advances recoverable in cash or kind or for value to be received		
	Loans and Advances-Considered Good unsecured	12,128,174.00	10,128,174.00
	Loans and Advances-Considered Doubtful	8,484,531.00	8,484,531.00
	<b>Total</b>	<b>20,612,705.00</b>	<b>18,612,705.00</b>

## Notes on Accounts

	PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
11	<b>Revenue from Operations</b>		
	Diagnostics & Other Allied Services	3,513,400.00	5,669,100.00
	<b>Total</b>	<b>3,513,400.00</b>	<b>5,669,100.00</b>
12	<b>Cost of Materials Consumed</b>		
	Opening Stock	78,100.00	71,400.00
	Purchases	794,631.00	1,712,090.00
	Closing Stock	49,270.00	78,100.00
	<b>Cost of Materials Consumed</b>	<b>823,461.00</b>	<b>1,705,390.00</b>
13	<b>Employee Benefit Expense</b>		
	Salaries	374,400.00	386,480.00
	Staff Welfare Expenses	2,840.00	3,520.00
	<b>Total</b>	<b>377,240.00</b>	<b>390,000.00</b>
14	<b>Financial Costs</b>		
	Interest and Finance Charges	46,717.31	559,712.43
	<b>Total</b>	<b>46,717.31</b>	<b>559,712.43</b>
15	<b>Other Expenses</b>		
	Consultancy Charges	25,000.00	30,000.00
	Repairs & Maintenance	32,710.00	5,620.00
	Medical Expenses	18,145.00	2,390.00
	Rent	587,588.00	515,088.00
	Misc. Amenities	39,610.00	72,540.00
	Printing & Stationery	10,394.00	9,685.00
	Postage & Telegrams	40,380.00	31,570.00
	Conveyance	9,320.00	12,710.00
	Travelling Exps.	415,599.27	247,579.95
	Hospital Maintenance	19,217.15	14,530.00
	Vehicle Maintenance	58,944.21	24,740.00
	Books & Subscriptions	18,326.36	25,022.00
	Advertisement	19,400.00	17,390.00
	Rates, Taxes & Fees	24,300.50	16,261.48
	Bank Charges	4,501.75	6,967.05
	Computers Maintenance	26,135.00	29,640.00
	Software Development	34,000.00	119,000.00
	Share Transfer Expenses	77,017.00	56,866.00
	Listing Fees	335,040.00	334,845.00
	Generators Maintenance	5,671.00	9,710.00
	Marketing Expenses	52,000.00	10,660.00
	Telephone Charges	47,736.42	11,947.04
	Electricity Charges	161,776.47	147,859.00
	Insurance	31,659.00	31,157.00
	Educational Updates	5,670.00	4,510.00
	Seminars	13,471.00	41,291.32
	Loss on Investments	875,000.00	--
	Audit Fees	20,000.00	20,000.00
	<b>Total</b>	<b>3,008,612.13</b>	<b>1,849,578.84</b>

**5. TANGIBLE ASSETS AND DEPRECIATION SCHEDULE FOR THE PERIOD ENDED 31.03.2017**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	OPENING BALANCE	DEDUCTIONS	TOTAL	OPENING BALANCE	CURRENT PERIOD	ADJUSTMENT	TOTAL	CURRENT PERIOD	PREVIOUS YEAR
Land & Land development Expenditure	45,685,720.00	---	45,685,720.00	---	---	---	---	45,685,720.00	45,685,720.00
Furniture & Fittings	290,537.15	---	290,537.15	210,222.39	18,100.00	---	228,322.39	62,214.76	80,314.76
Steel Furniture	229,400.00	---	229,400.00	85,752.00	14,292.00	---	100,044.00	129,356.00	143,648.00
Plant & Machinery	90,670,393.00	---	90,670,393.00	34,829,667.13	2,824,465.00	---	37,654,132.13	53,016,260.87	55,840,275.87
Fax, Copier & EPABX	376,001.00	---	376,001.00	175,547.00	26,583.00	---	202,130.00	173,871.00	200,454.00
Fans & ACs	696,695.00	---	696,695.00	358,227.00	49,256.00	---	407,483.00	289,212.00	338,468.00
Cellular Phones	40,500.00	---	40,500.00	18,079.00	2,523.00	---	20,602.00	19,898.00	22,421.00
Electrical Equipments	1,917,640.00	---	1,917,640.00	927,088.00	135,577.00	---	1,062,665.00	854,975.00	990,552.00
Vehicles	2,868,886.00	---	2,868,886.00	2,531,456.00	272,544.00	---	2,804,000.00	64,886.00	337,430.00
<b>TOTAL</b>	<b>142,775,772.15</b>	<b>---</b>	<b>142,775,772.15</b>	<b>39,136,038.52</b>	<b>3,343,340.00</b>	<b>---</b>	<b>42,479,378.52</b>	<b>100,296,393.63</b>	<b>103,639,733.63</b>

**Go Green Initiative**

Dear Shareholder,

As you may be aware, the Ministry of Corporate Affairs, Govt. of India, as part of its "Green Initiative in Corporate Governance" has issued Circular no.17/2011 dated 21/04/2011 and Circular no.18/2011 dated 29/04/2011 permitting service of documents by Companies, to its shareholders, through electronic mode instead of physical mode.

Accordingly, as per the Company's "GO GREEN" initiative, the Company shall send documents, including Notice of General Meetings and Annual Report of the Company, in electronic form to Email ID of the shareholders registered with Company, instead of physical mode.

However, shareholders may note that as a member of the Company, shareholders opting to receive documents in electronic mode will be entitled to receive all such communication in physical form, upon request made by them to the Company.

Shareholders having shares in physical form should provide their Email Id to the Company for opting to receive notices / documents electronically. To Register the E-mail ID with the Company shareholders are requested to submit the following Form duly filled & signed by the shareholders at the forthcoming AGM or send it by post at the registered office of the Company.

**GO GREEN FORM**

To Dolphin Medical Services Limited,

As per the "Green initiative in the Corporate Governance" of the Ministry of Corporate Affairs, I / We hereby opt to receive service of documents by company, including Annual Report, in electronic mode, and request you to register my Email ID as stated below for the same.

Fields marked with \* are compulsory

Name of Shareholder(s)*	:	_____
Folio No.*	:	_____
No. of Shares held as on Date*	:	_____
E-mail ID (Permanent)*	:	_____
E-mail ID (Alternative)	:	_____
Contact No. (Mobile)*	:	_____
Contact No. (Fixed Line)*	:	_____
Signature	:	_____



**Form No. MGT-11**

**Proxy Form**

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

CIN : **L24239TG1992PLC014775**  
 Name of the company : **Dolphin Medical Services Limited**  
 Registered office : **#417, Sanali Heavens, Ameerpet, Hyderabad - 500073**  
 E-mail : **dolphincomplianceofficer@gmail.com**  
 Web : **www.dolphinmedicalservices .com**  
 Name of the member (s) :  
 Registered address :  
 E-mail Id :  
 Folio No/ Client Id :  
 DP ID :

I/We, being the member (s) having \_\_\_\_\_ shares in the above named company, hereby appoint

1. Name : \_\_\_\_\_ 2. Name : \_\_\_\_\_  
 Address : \_\_\_\_\_ Address : \_\_\_\_\_  
 E-mail Id : \_\_\_\_\_ E-mail Id : \_\_\_\_\_  
 Signature : \_\_\_\_\_ Signature : \_\_\_\_\_

or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25<sup>th</sup> Annual general meeting of the company, to be held on the 29<sup>th</sup> day of December, 2017 at 09.45 a.m. at Maharaja Function Hall, 1-54, Beside Andhra Bank, Warangal Highway, Uppal, Hyderabad - 500 039, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

S No	Resolutions:	vote	
		For	Against
1)	Adoption of Financial Statements, Auditor's Report and Directors' Report		
2)	To appoint Statutory Auditors.The Statutory Auditors M/s. Pinnamaneni & Co., Chartered Accountants are eligible for re-appointment.		
3)	Appointment of Mr. Nanapaneni Buddha Sagar as director who retires by rotation.		
4)	Appointment of Mrs. Madala Sesha Ratnam as director who retires by rotation.		
5)	Appointment of Mr. Turlapati Seshu Kumar as Independent director.		
6)	Appointment of Mr. Turlapati Padmasri as Independent director.		

Signed this \_\_\_ day of December, 2017

Signature of shareholder .....

Signature of Proxy holder(s).....



Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**ADMISSION SLIP**

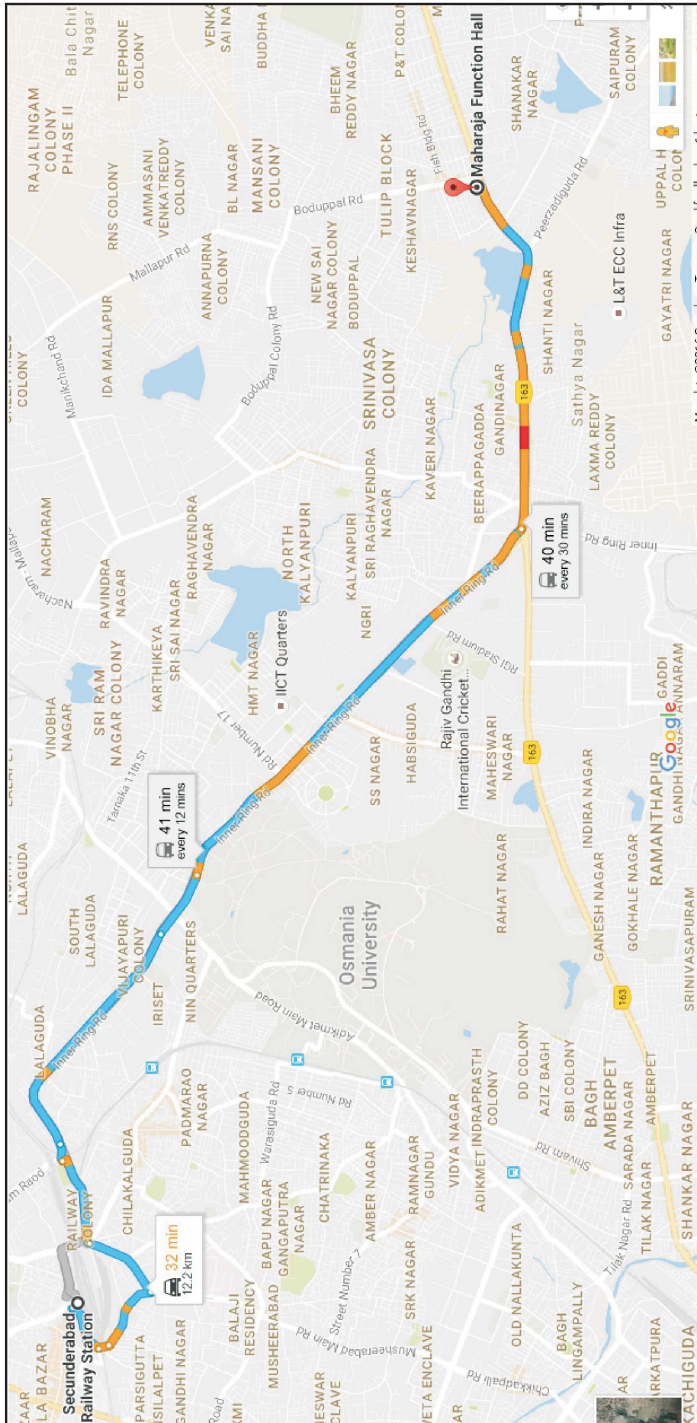
Name & Address of Member                      Foilo No.                      DP ID No.                      Client ID No.

I hereby record my attendance at the 25<sup>th</sup> Annual General Meeting of the Company, to be held on the 29<sup>th</sup> day of, December, 2017 at 09.45 a.m. at Maharaja Function Hall, 1-54, Beside Andhra Bank, Warangal Highway, Uppal, Hyderabad - 500 039, Telangana

I Certify that I am a registered member of the Company and hold..... shares.

-----  
 Member's / Proxy's Signature

In terms of the requirements of the Secretarial Standard on General Meetings (SS-2) issued by the Institute of the Company Secretaries of India, route map for the location of the venue of the 25<sup>th</sup> Annual General Meeting is given below.



**BOOK - POST  
PRINTED MATTER**

*If Undelivered Please return to :*

 **Dolphin**  
**Medical Services Limited**

Regd. Office: # 417, Sanali Heavens, Ameerpet, HYDERABAD - 500 073, Telangana, India.