

Dolphin

Medical Services Limited

(CIN : L24239TG1992PLC014775)



23rd ANNUAL REPORT 2014 - 2015

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

E-mail ID for Investor's Grievances : 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
 Sri. M.Hemanth Kumar – Independent Director^(up to 24/05/2014)
 Dr. K. Ramana Kumar – Independent Director^(w.e.f. 30.09.2014)

Auditors

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

Committees of the Board: Audit Committee

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

Bankers

Canara Bank
 The Federal Bank Ltd.
 HDFC Bank Ltd.

Nomination and Remuneration Committee

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

Registrar & Share Transfer Agents

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

Share Transfer & Investors' Grievance Committee

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

23rd ANNUAL GENERAL MEETING

Date : 30th December, 2015
 Time : 9.30 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 Third Annual General Meeting of the members of the Company will be held on Wednesday, December 30, 2015 at 9.30 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, 2015 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.
2. To appoint a director in place of Dr. Lakshmi Sudha Madala
To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT Dr. Lakshmi Sudha Madala, who retires by rotation at this meeting and being eligible for re-appointment, be and is hereby re-appointed as Director of the Company liable to retire by rotation."

3. To ratify the continuation of the Statutory Auditors. The Statutory Auditors M/s. Pinnamaneni & Co., Chartered Accountants are eligible for continuing appointment.

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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and their corresponding Rules, pursuant to the recommendations of the Audit Committee and the resolution passed by the members at their 22nd AGM held on September 30, 2014, the appointment of M/s. Pinnamaneni & Co., Chartered Accountants (ICAI Firm Registration No.002661S), who have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014, as Statutory Auditors to hold office up to the conclusion of the 25th AGM, be and is hereby ratified at such remuneration as may be decided by the Board of Directors of the Company."

Special Business

4. Regularization of appointment of Dr K Ramana Kumar (DIN 00754148) as 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 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modifications or reenactments thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr K Ramana Kumar (DIN 00754148), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years."

Date : 30.11.2015

Place: Hyderabad

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

Sd/-
**DR. G. V. MOHAN PRASAD
MANAGING DIRECTOR**

Notes

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
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. The Register of Members and Share Transfer Books will remain closed from Saturday, December 26, 2015 to Wednesday, December 30, 2015 (both days inclusive) for the purpose of Annual Closing.
9. 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).
10. 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.
11. Electronic copy of the Notice of the 23rd 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 Participant(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 23rd 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.
12. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by Companies (Management and Administration) Amendment, Rules 2015, and Clause 35B of the Listing Agreement, 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.

13. The facility for voting, through ballot or polling paper is available at the meeting and members attending the meeting who have not already cast vote by remote e-voting shall be able to exercise their rights at the meeting.
14. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
15. **Voting through electronic means:**
Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement 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, 2014.

During the e-voting period, members of the Company holding shares either in physical form or dematerialized form, as on the cut-off date (record date) i.e., (Wednesday, December 23, 2015), may cast their votes electronically.

Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. S.Srikanth, (Membership No. 22119), Company Secretary in Practice, at Parameswara Appartments, # 6-3-626, 5th Floor, 5 - A Anand Nagar, Khairatabad, Hyderabad-500004. Members have the option to request for physical copy of the Ballot Form by sending an e-mail to dolphincomplianceofficer@gmail.com by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach not later than Tuesday, December 29, 2015 (5.00 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 Sunday, December 27, 2015 at 9.00 a.m. IST and ends on Tuesday, December 29, 2015 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) Wednesday, December 23, 2015, 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 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 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:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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. 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.
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	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> 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".

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (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.
- 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 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions:

- i. The e-voting period commence on Sunday, December 27, 2015 at 9.00 a.m. IST and ends on Tuesday, December 29, 2015 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 Wednesday, December 23, 2015 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 Wednesday, December 23, 2015
 - iii. Mr. S.Srikanth, (Membership No. 22119), 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 and with the website of CDSL within two days of passing of resolutions at the 23rd AGM of the company on December 30, 2015 and communicated to the BSE Limited where the share of the company are listed.
16. Members may also note that the Notice of the 23rd Annual General Meeting and the Annual Report 2014-15 is available on the Company’s website, www.dolphinmedicalservices.com. Members who require physical copies may write to us at dolphincomplainceofficer@gmail.com
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Company.

18. 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.
19. Members are requested to bring their copy of Annual Report to the Meeting.

Explanatory Statement

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

Item No. 4:

The Board of Directors of the Company, on September 30, 2014 appointed Dr. K. Ramana Kumar, as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013. He was appointed in the category of Independent Director. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed to appoint Dr. K. Ramana Kumar as an independent Director for five consecutive years from the date of this meeting. A notice has been received from a member proposing him as a candidature for the office of the Independent Director of the Company

Dr. K. Ramana Kumar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Dr. K. Ramana Kumar that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, Dr. K. Ramana Kumar fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Dr. K. Ramana Kumar is independent of the management and possesses appropriate skills, experience and knowledge.

The Board of Directors recommends the said resolution for your approval. Except Dr. K. Ramana Kumar being an appointee, none of the Directors and Key managerial persons of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out at Item No. 4.

Date: 30.11.2015
Place: Hyderabad

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

Sd/-
DR. G. V. MOHAN PRASAD
MANAGING DIRECTOR

Directors' Report

To
The Members of **DOLPHIN MEDICAL SERVICES LIMITED**,
Your Directors hereby present the 23rd Annual Report and Accounts of the Company for the year ended 31st March, 2015.

1. FINANCIAL RESULTS:

(Rs. In Lakhs)

Particulars	2014 - 15	2013 - 14
Operating Income	37.68	95.86
Other Income	0.06	-
Profit / (Loss) before Int. Depreciation & Tax	(4.47)	(10.12)
Depreciation	51.69	71.39
Cash Profit / (Loss)	(6.41)	(14.70)

Discussion on Financial Performance:

During the year under consideration the Company got a loss of Rs.4.47 Lakhs before interest and depreciation as against loss of Rs.10.12 Lakhs during the previous year.

Management Discussion and Analysis

As mentioned in one of our earlier AGM Reports, the quagmire of litigation the company was constrained to involve in respect of its leasehold due to the lower court order against the Company and also of late due to the mischief of the 1st lessor and the 2nd lessor has also substantially contributed to the woes of the company. In view of the looming uncertainty due to the said litigation, the company is not able to make optimum use of the premises, as there is the fear of losing the further investment as may be made for modifications and renovations to the premises from time to time if the verdict of the Courts is going to be adverse. This is in addition to the already invested huge amounts on the premises over a period of many years on various occasions.

The Company is now passing through a difficult phase as far as competing with the players in the field. As has been discussed earlier, the old model and out dated equipment is one of the main reasons for the lack of the generation of expected revenues of the company. In addition to this the severe financial stress being faced by company is also affecting the ability to keep the modernization need fulfilled. While this is the state of affairs in the operational front, 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 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. The company has also informed EARC that since the revenues of the company are not as expected, the Board will be able to pay the settled amount to EARC only by way of selling the landed property belonging to the Company near Hyderabad. Accordingly efforts are being made to sell the land of Ac.13.625 cents belonging to the company in the open market and utilize the sale proceeds to clear off the settled amount to EARC. As the market conditions in the Telangana State are not favourable for the real estate after the division of the combined state of Andhra Pradesh, the company is finding it difficult to get the buyers for the expected sale price. However a call will be soon taken by the Board so that the amount due to EARC may be settled at the earliest.

Once the EARC amount is settled, the company will be debt free and will be attractive for new investors to infuse the required capital for making the company profitable once again and also for taking up new and different profitable projects. The Board is aiming to reach this stage at the earliest.

Financial Performance

The Following is the Financial Performance of your Company:

(Rs.in Lakhs)

	2014-15	2013-14	Inc/(Dec) %
Income:			
Operations	37.68	95.86	(60.51)
Other Income	0.06	-	0.06
Total :	37.74	95.86	(60.63)
Expenditure:			
Material Consumed	9.77	29.80	(67.21)
Staff Cost	3.73	25.97	(85.63)
Other Expenses	31.70	54.78	(42.13)
Depreciation	51.69	71.39	(27.59)
Total :	96.89	181.94	(46.74)
Profit/(Loss)	(59.15)	(86.08)	(31.28)

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, 2015 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, 2015 was Rs.15,09,99,520/-, comprising of 1,50,99,952 equity shares of Rs.10.00 each.

Buy Back of Securities: The Company has not bought back any of its securities during the year under review.

Sweat Equity: The Company has not issued any Sweat Equity Shares during the year under review.

Bonus Shares: The Company has not issued any bonus shares during the year under review.

Employees Stock Option: The Company has not provided any Stock Option Scheme to the employees.

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.

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

In accordance with Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the subsidiary companies in Form AOC-1 is enclosed as **Annexure - I** of the Board's Report.

Particulars of Contracts & Arrangements with Related Parties

During the year, the Company has not entered into any contracts or arrangements with Related Parties.

Related party Transactions

During the year, the Company has not entered into any transactions with Related Parties.

Particulars of Loans, Guarantees or Investments

During the financial year 2014-15 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.

Number of Board Meetings held

The Board of Directors duly met 7 times during the financial year from 1st April, 2014 to 31st March, 2015. The dates on which the meetings were held are as follows:

(1) 22.05.2014, (2) 12.08.2014, (3) 03.09.2014, (4) 30.09.2014, (5) 14.11.2014, (6) 14.02.2015 and (7)27.03.2015

Directors and Key Managerial Personnel

In terms of Section 152 of the Companies Act, 2013, Dr. M. Lakshmi Sudha, CFO & Director would retire by rotation at the forthcoming AGM and is eligible for re-appointment. Dr. M. Lakshmi Sudha, CFO & Director has offered herself for re-appointment.

Mr. Narendra Seena Karkera (DIN:01916929), Mr. Vinay Vishnu Raj Nayak (DIN:01979345) were appointed as an independent Directors by the Members at the last Annual General Meeting (AGM) held on September 30, 2014..

Dr. K Ramana Kumar (DIN 00754148) has been appointed as an Additional Director in the category of Independent director pursuant to section 149 of the Act w.e.f. 30.09.2014 in accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, who shall hold office till the ensuing Annual General Meeting of the Company.

Mr. Hemanth Kumar Manikyam resigned from the office of the Director on 24/05/2014.

Dr. M. Lakshmi Sudha has been appointed as the Chief Financial Officer of the Company pursuant to section 203 of the Act w.e.f. 14.02.2015 in accordance with the provisions of the Companies Act, 2013

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

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 14.02.2015 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.

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 Clause 49 of the Listing Agreement entered into with the Stock Exchanges, 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 will form part of the Annual Report as **Annexure - II** to the Board's Report.

Auditors**Statutory Auditors**

At the Annual General Meeting held on September 30, 2014, M/s. Pinnamaneni & Co, Chartered Accountants (Firm Reg. No: 002661S), were appointed as Statutory Auditors of the Company to hold office for a period of three years i.e., till the conclusion of the Annual General Meeting to be held in the calendar year 2017. In terms of the first proviso to Section 139 of the Companies Act, 2013 the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the said appointment of M/s. Pinnamaneni & Co, Chartered Accountants, as statutory auditors of the Company is placed for ratification by the Shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if their appointment is ratified, it would be in accordance with the provisions of Section 141 of the Act. The Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

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 M/s. B S S & Associates, Practising Company Secretaries for conducting Secretarial Audit of the Company for the financial year 2014-2015. The Secretarial Audit Report is annexed herewith as **Annexure - III**.

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

The Secretarial Auditor's Report contains qualifications, reservation or adverse remarks except non compliance of Section 203 of the Companies Act, 2013 in respect of appointment of Company Secretary as Key Managerial Person. The Board has made utmost effort for appointment of the Company Secretary as KMP 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. Company is in the process of filing various e-forms/reports/documents with Registrar of Companies and stock exchange.

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.

Internal Control Systems

The Company has a well-established system of internal control in operations which complies with the relevant provisions of 'Internal Control' under the Company's Auditor's Report Order 2003 and as prescribed under revised Clause 49 of the Listing Agreement with Stock Exchanges. Internal Audit department put in place and adequate controls are continuously reviewed and risks of inaccurate financial reporting and fraud, if any, are dealt with immediately and eliminated. The status of implementation of recommended solutions are regularly reviewed and presented to the Audit Committee of the Board.

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 Clause 49 of the Listing Agreement, 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

The Management Discussion and Analysis given below 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 - IV** 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 - V** 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 23rd April, 2013. There was no case of sexual harassment reported during the year under review.

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 – VI**.

There were no employee in the company throughout the financial year who were in receipt of remuneration of Rs.60 lacs or more, employees employed for part of the year and in receipt of Rs.5 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 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 02.12.2015 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 – VII**.

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.2,27,453/- 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.

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 Managing Director to this effect is furnished as **Annexure - VIII** to the Board's Report.

Acknowledgments

The Directors wish to place on record their gratitude to shareholders and thank the customers, vendors, bankers, hos 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**

Place: Hyderabad
Date : 30.11.2015

Sd/-
G.V.Mohan Prasad
Managing Director

Sd/-
M.Lakshmi Sudha
Whole-time director

Annexure to Directors' Report

Annexure - I

Statement containing the salient features of the financial statements of subsidiaries / associate companies / joint ventures

[Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014 – AOC-1]

(Amount in Rupees)

Name of the subsidiary	Financial period ended	Exchange rate	Share capital	Reserves & surplus	Total assets	Total liabilities (excluding share capital and reserves & surplus)	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	% of share holding
Bridge Corporate Services Pvt. Ltd.	31.03.2015	INR	1,00,000	-	10,20,000	-	-	-	-	-	-	51%
Evum Life Sciences Pvt. Ltd.	31.03.2015	INR	1,00,000	-	8,95,000	-	-	-	-	-	-	51%

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

Place: Hyderabad
Date : 30.11.2015

Sd/-
G.V.Mohan Prasad
Managing Director

Sd/-
M.Lakshmi Sudha
Whole-time director

Nomination and Remuneration policy**Introduction**

The Company's policy on the appointment and remuneration of Directors and key managerial personnel provides a framework for payment of suitable remuneration to the Directors, Key Managerial Personnel (KMP) and senior level employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company.

The nomination and remuneration policy provided herewith is in line with the requirements of Section 178(4) of the Companies Act read with rules made there under and Clause 49(1V)(B)(4) of the Listing Agreement entered into with the Stock Exchanges.

Objective and purpose of the policy

The objectives and purpose of this policy are

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate remuneration principles for the Directors, key managerial personnel and other senior level employees of the Company.

The committee

The Board has re-constituted the nomination and remuneration committee of the Board on 30.09.2014. This is in line with the requirements of Companies Act, 2013 ('the Act') and the listing agreement entered in to with Stock Exchanges.

The Board has authority to reconstitute this committee from time to time.

Policy in respect of appointment of Directors, their remuneration etc**Part I****Criteria for qualification, positive attributes of independence of Directors:**

1. The total composition of the Board should consist of a mix of expertise and experience in the following fields:
 - Business Management.
 - Finance & Accounts.
 - Technology, Research and Development.
 - Marketing.
 - Investment Banking.
 - Corporate & Business Laws.
 - Public Relations and Corporate Communications.
 - HRD and Leadership.
 - Other disciplines related to the Company's business.
2. The type of persons to be identified for appointments as Directors would depend on the skill-sets already available in the existing Board. The effort would always be to ensure that the overall expertise and skill-sets available at the Board level is as broad based as possible.
3. The following additional factors shall also be taken into account while recommending individuals for appointment as independent directors.
 - The other directorships held by the proposed appointee, the ability for devoting adequate time and the willingness of the proposed appointee to participate in the Board and Committee meetings.

- The composite age profile of the Board of Directors as a whole. The effort will be to strike an appropriate balance of youth and experience.
- Present and potential conflict of interest of the proposed appointee in the various issues that may be coming up before the Board.
- Personal characteristics being in line with the Company's values, such as integrity, honesty and transparency.

Executive Directors

The Policy relating to appointment of executive directors is to

- Provide adequate opportunity for career advancement of the executives already working in the company;
- Simultaneously attract talent from outside for direct recruitment as Executive Directors at the Board level.

Part II**Remuneration Policy**

The Remuneration Policy of the Company is to design the compensation packages which are sufficient to attract, retain and motivate the person to put in his best performance and feel that the compensation paid to him is commensurate with his talent, experience and expertise.

Due care will be taken to ensure a remuneration package which is comparable to the pay and employment conditions with peers within the organization as well as the contemporary levels of compensation in the industry.

Increments and career advancement will be directly linked to the performance of the particular individual. Measurable performance indicators shall be designed and intimated to the employees to ensure objectivity and transparency in the performance evaluation.

Remuneration of Executive Directors and Key Managerial Personnel

The Nomination and Remuneration Committee shall consider the following criteria, while fixing the remuneration of the Executive Director (Whole-time Directors) Key Managerial Personnel and other employees:

- Industry Bench Marks.
- Performance of the Company compared to the performance of the industry.
- Responsibilities shouldered.
- Performance of the individual, and his track record.
- Initiatives taken and leadership qualities exhibited.

Remuneration of Non-executive Directors

Non executive Directors will be paid a Sitting Fee as may be decided by the Board, within the ceilings prescribed under the Act.

Policy relating to Remuneration of Directors etc

The Remuneration Policy of the Company for the Directors, key managerial personal and other employees is to design the compensation packages which are sufficient to attract, retain and motivate the person to put in his best performance and feel that the compensation paid to him is commensurate with his talent, experience and expertise.

Form No. MR-3

**Secretarial Audit Report
For the Financial Year ended 31st March, 2015**

[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.

We 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 our 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2015, 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:

We 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, 2015 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 28th 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.**

We 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.

We 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 our 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.

We 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.

We 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.

We 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.

We 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: 30.11.2015

S.Srikanth
B S S & Associates
Company Secretaries
ACS: 22119 CP: 7999

This Report is to be read with our 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	Date of Event	Form yet to be filed	Remarks
1	Report on Annual General Meeting	30.09.2014	Form MGT-15	Form not filed
2	Appointment of Independent Directors	30.09.2014	Form DIR-12	Appointment of Independent Director was taken place in the Board Meeting held on 30.09.2014. Existing Independent Directors were appointed in AGM 2014 under the provisions of the Companies Act, 2013. Form not filed
3	Taking note of existing Managing Director & CFO as KMP of the Company	14.02.2015	Form MGT-14, MR-1 & DIR-12	Form not filed
4	Appointment of Internal Auditor			
5	Appointment of Secretarial Auditor			
6	Appointment of Company Secretary	Not Appointed		
7	Website of the Company	Not fully functional		
8	Filing of Annual Accounts	30.09.2014	Form 23AC XBRL & 23ACA XBRL	Form not filed
9	Filing of Annual Return	30.09.2014	Form 20B	Form not filed
10	Listing Fee	Not 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.

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We 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. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, we 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. Our 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.

Sd/-
S.Srikanth
B S S & Associates
Company Secretaries
ACS: 22119 CP: 7999

Place: Hyderabad
Date: 30.11.2015.

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

Annexure - IV

as on the financial year ended on March 31, 2015[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, Banjara Hills, 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	96.50%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S No	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Bridge Corporate Services Pvt. Ltd. 29-12-13A, Ramachandra Rao Road, Vijayawada - 520 002, A.P.	U74990AP2008 PTC060025	Subsidiary	51%	2(87)
2	Evum Life Sciences Pvt. Ltd. 29-12-13A, Ramachandra Rao Road, Vijayawada - 520 002, A.P.	U74900AP2008 PTC060930	Subsidiary	51%	2(87)

IV 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 01.04.2014				No. of Shares held at the end of the year 31.03.2015				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(a)	Individuals/HUF	40,43,790	1,00,011	41,43,801	27.44	38,92,290	1,00,011	39,92,301	26.44	-1.00
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(e)	Banks/FI	-	-	-	-	-	-	-	-	-
(f)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (1):-	40,43,790	1,00,011	41,43,801	27.44	38,92,290	1,00,011	39,92,301	26.44	-1.00
(2)	Foreign									
(a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporates	-	-	-	-	-	-	-	-	-
(d)	Banks/FI	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (2):-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	40,43,790	1,00,011	41,43,801	27.44	38,92,290	1,00,011	39,92,301	26.44	-1.00

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) FIIs	-	-	-	-	1,000	-	1,000	0.01	0.01
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(g) Others	-	-	-	-	-	-	-	-	-
Sub - Total (B) (1):-	200	-	200	-	1,200	-	1,200	0.01	0.01
2 Non-Institutions									
a) Bodies Corp.									
i) Indian	502,587	4,650	507,237	3.36	487,315	4,650	491,965	3.26	-0.10
ii) Overseas (OCB)	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital up to Rs.1 lakh.	55,38,743	4,35,550	59,74,293	39.56	55,57,846	4,34,350	59,92,196	39.68	0.12
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 lakh.	43,56,237	-	43,56,237	28.85	45,34,622	-	45,34,622	30.03	1.18
c) Others (Specify)									
Non Residents	85,820	1,000	86,820	0.57	79,870	1,000	80,870	0.54	-0.03
Clearing Members	31,364	-	31,364	0.21	6,798	-	6,798	0.05	-0.16
Sub - Total (B) (2):-	1,05,14,751	4,41,200	1,09,55,951	72.56	1,06,66,451	4,40,000	1,11,06,451	73.55	0.99
Total Public Shareholding (B)=(B)(1)+(B)(2)	1,05,14,951	4,41,200	1,09,56,151	72.56	1,06,67,651	4,40,000	1,11,07,651	73.56	1.00
C Shares held by Custodian for GDR & ADRs									
	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,45,58,741	5,41,211	1,50,99,952	100.00	1,45,59,941	5,40,011	1,50,99,952	100.00	0.00

ii) Shareholding of Promoters

S No	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2014			Shareholding at the end of the year 31.03.2015			% 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	3,05,000	2.02	0	2,55,000	1.69	0	0.33
4	G ESWARCHAND	2,10,000	1.39	0	1,10,000	0.73	0	0.66
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	15,000	0.10	0	15,000	0.10	0	0
11	P PHANINDHAR	7,500	0.05	0	7,500	0.05	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	G KRISHNA KUMARI	5,000	0.03	0	5,000	0.03	0	0
19	A KOUSALYA	5,000	0.03	0	5,000	0.03	0	0
20	RAJENDRA MADALA	4,700	0.03	0	4,700	0.03	0	0
21	YADLAPALLI VISHNU VARDHANA RAO	4,500	0.03	0	4,500	0.03	0	0
22	DR.KESAVA KRISHNA	3,000	0.02	0	3,000	0.02	0	0
23	P PHANINDHAR	2,500	0.02	0	2,500	0.02	0	0
24	L USHA RANI	2,500	0.02	0	2,500	0.02	0	0
25	KESARANENI SUNIL KUMAR	2,500	0.02	0	2,500	0.02	0	0
26	K RADHIKA	2,500	0.02	0	2,500	0.02	0	0
27	K ANIL KUMAR	2,500	0.02	0	2,500	0.02	0	0
28	G SIVARAMAKRISHNA RAO	2,500	0.02	0	2,500	0.02	0	0
29	G S SRIDHAR	2,500	0.02	0	2,500	0.02	0	0
30	A V SEKHAR	2,500	0.02	0	2,500	0.02	0	0
31	P SARVARI	1,500	0.01	0	1,500	0.01	0	0
32	K ROOPA	1,500	0.01	0	1,500	0.01	0	0
33	K V R NARASIAH	1,500	0.01	0	1,500	0.01	0	0
34	Y NARASIMHA RAO	1,500	0.01	0	1,500	0.01	0	0
35	M NAGESWARA RAO	1,500	0.01	0	1,500	0.01	0	0
36	Y SRILATHA	1,500	0.01	0	1,500	0.01	0	0
37	Y VISHNUVARDHANA RAO	1,500	0.01	0	1,500	0.01	0	0
38	V V RAMA RAO	1,500	0.01	0	1,500	0.01	0	0
39	S KRISHNA MOHAN	1,500	0.01	0	1,500	0.01	0	0
40	K ASHOK KUMAR	1,500	0.01	0	1,500	0.01	0	0
41	D SREERAMULU	1,500	0.01	0	1,500	0.01	0	0
42	MANDAVA VIDYASAGAR	1,500	0.01	0	0	0	0	-0.01
43	P SUBBAMMA	1,000	0.01	0	1,000	0.01	0	0
44	K ANIL KUMAR	9	0.00	0	9	0.00	0	0
45	P RAVI	2	0.00	0	2	0.00	0	0
	Total	41,43,801	27.44	0	39,92,301	26.44	0	-1.00

iii) Change in Promoters' Shareholding: There are changes in the promoters as give above.

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	Share holder's Name	Shareholding		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01.04.2014)/ end of the year (31.3.2015)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	RAJA JAGUPILLA	1,72,239	1.14	-	-	-	-	-
		1,72,239	1.14	-	-	-	-	-
2	RAMA RAO JAGGUPILLA	1,50,254	1.00	-	-	-	-	-
		1,50,254	1.00	-	-	-	-	-
3	MUKESH RANI AGARWAL	1,32,871	0.88	-	-	-	-	-
		1,32,871	0.88	-	-	-	-	-
4	VEERA VARA PRASAD VASIREDDY	1,26,448	0.84	-	-	-	-	-
		1,26,448	0.84	-	-	-	-	-
5	SANT LAL KHANEJA & SONS HUF IMSL	1,10,000	0.73	-	-	-	-	-
		1,10,000	0.73	-	-	-	-	-
6	J VENKATESWARA RAO	1,02,571	0.68	-	-	-	-	-
		1,02,571	0.68	-	-	-	-	-
7	VIJAYA PRASAD J	1,00,181	0.66	-	-	-	-	-
		1,00,181	0.66	-	-	-	-	-
8	SURANA INFOCOM PRIVATE LIMITED	1,00,000	0.66	-	-	-	-	-
		1,00,000	0.66	-	-	-	-	-
9	LAXMIPAT DUDHERIA	94,907	0.63	-	-	-	-	-
		94,907	0.63	-	-	-	-	-
10	BHAGYANAGAR INDIA LIMITED	94,000	0.62	-	-	-	-	-
		94,000	0.62	-	-	-	-	-

vi) 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
Directors					
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
	TOTAL	31,63,390	20.95	31,63,390	20.95

V. 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	80,958.26	-	-	80,958.26
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	80,958.26	-	-	80,958.26
Change in Indebtedness during the financial year				
Addition	-	2,511.00	-	2,511.00
Reduction	3,000.00	-	-	3,000.00
Net Change	(3,000.00)	2,511.00	-	(489.00)
Indebtedness at the end of the Financial year				
i) Principal Amount	77,958.26	2,511.00	-	80,469.26
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	77,958.26	2,511.00	-	80,469.26

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.

VI 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		

VII 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 - V**Details of Conversation of Energy**

(A)	Conservation of energy-	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)	Technology absorption-	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
(C)	Foreign exchange earnings and outgo- 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**
sd/- sd/-

G.V.Mohan Prasad M.Lakshmi Sudha
Managing Director Whole-time director

Place: Hyderabad
Date : 30.11.2015

Annexure - VI

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 2014-2015

S No	Name	Designation	Ratio of remuneration of each director to the median remuneration of employees*	% Increase in remuneration during FY2015
Executive directors				
01	Venkata Mohan Prasad Gude	Managing Director	-	-
02	Lakshmi Sudha Madala	Whole-time Director	-	-
Non-Executive Directors				
03	Vinay Vishnuraj Nayak	Director	NA	NA
04	Narendra Seena Karkera	Director	NA	NA
05	Dr. K. Ramana Kumar	Director	NA	NA
Key Managerial Personnel				
06	Lakshmi Sudha Madala	CFO	NA	NA

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

Dr. K. Ramana Kumar appointed on 30.09.2014

CFO was appointed on 14.02.2015, hence the above details are not applicable

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

Place: Hyderabad

Date : 30.11.2015

**Sd/-
G.V.Mohan Prasad
Managing Director**

**Sd/-
M.Lakshmi Sudha
Whole-time director**

Annexure - VII**REPORT ON CORPORATE GOVERNANCE****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**a) Composition**

The Board consists of 5 Directors as on 31st March 2015. The composition of the Board is in conformity with Clause 49 of the listing agreement. The day-to-day management of the company was carried on by the Dr GV Mohan Prasad, Managing Director of the company.

Category	No. of Directors	Names of the Directors
Executive Directors (Promoter Directors)	02	1.Dr. GV Mohan Prasad 2.Dr. M Lakshmi Sudha
Non-Executive Independent Directors	03	1.Sri Vinay Vishnuraj Nayak 2.Sri Narendra Seena Karkera 3.Dr. K. Ramana Kumar*
Total	05	

* Dr K Ramana Kumar was appointed as an Independent Director on the Board of the Company with effect from 30.09.2014.

All independent directors possess the requisite qualifications and are very experienced in their own fields. None of the directors are members of more than ten committees or chairman of more than five committees in public limited companies in which they are directors. Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board.

The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31st March 2015 is given below:

Name of Director	Category	Number of Directorships in other companies	Number of Committee Memberships in other companies	
			Chairman	Member
Dr. GV Mohan Prasad	Executive Director	2	-	-
Dr. M Lakshmi Sudha	Executive Director	2	-	-
Vinay Vishnuraj Nayak	Non-Executive & Independent	1	-	-
Narendra Seena Karkera	Non-Executive & Independent	-	-	-
Dr. K. Ramana Kumar	Non-Executive & Independent	-	-	-

Notes:

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

b) Board Procedure:

During the year under review Board met seven times on 22.05.2014, 12.08.2014, 03.09.2014, 30.09.2014, 14.11.2014, 14.02.2015 and 27.03.2015. The Board meets at least once in every quarter to review the Company's operations and the maximum time gap between any two meetings is not more than 120 days.

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 30, 2014
	Held	Attended	
Dr. GV Mohan Prasad	7	7	Yes
Dr. M Lakshmi Sudha	7	7	Yes
Sri Vinay Vishnuraj Nayak	7	6	No
Sri Narendra Seena Karkera	7	6	No
Dr. K. Ramana Kumar	4	4	No

Dr. K. Ramana Kumar was appointed as an Additional Director w.e.f. 30.09.2014

The company places before the Board all those details as required under Annexure X to the listing agreement. The dates for the board meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. Detailed agenda notes are sent to the directors. All the information required for decision making are incorporated in the agenda. Those that cannot be included in the agenda are tabled at the meeting. The chairman appraises the Board on the overall performance of the company at every board meeting. Legal issues, write-offs, provisions, purchase and disposal of capital assets are all brought to the notice of the Board. The Board reviews performance, approves capital expenditures, sets the strategy the company should follow and ensures financial stability. The Board takes on record the actions taken by the company on all its decisions periodically.

The Board also takes on record the declaration made by the Executive Director and the Chief Financial Officer regarding compliances of all laws on a quarterly basis.

c) Disclosure of relationship between directors inter-se:

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

2. AUDIT COMMITTEE

The audit committee assists the board in the dissemination of financial information and in overseeing the financial and accounting processes in the company. The terms of reference of the audit committee covers all matters specified in clause 49 of the listing agreement and also those specified in section 177 of the Companies Act 2013. The terms of reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems/ financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the company. The audit committee reviews the compliance with legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The committee also recommends the appointment of internal auditor, statutory auditor. The audit committee takes note of any default in the payments to creditors and shareholders. The committee also looks into those matters specifically referred to it by the Board. The statutory auditors were present at all audit committee meetings. The audit committee comprised of the following directors for the year ended 31st March 2015:

1. Sri Narendra Seena Karkera - Chairman
2. Sri Vinay Vishnuraj Nayak - Member
3. Dr M Lakshmi Sudha - Member

As on 31st March 2015 the committee comprised of two independent directors and one executive director, all of whom are financially literate and have relevant finance / audit exposure. The chief financial officer is permanent invitee to the meetings of the committee. The other directors are invited to attend the audit committee meetings as and when required. The composition of the audit committee is as per clause 49 of the listing agreement.

The audit committee met 5 times during the year on 22nd May 2014, 12th August 2014, 3rd September 2014, 14th November 2014 and 14th February 2015

The details are as follows:

Attendance of each Director at Audit Committee Meetings

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

The Board has re-constituted the Audit Committee of the Board on 22.05.2014. This is in line with the requirements of Companies Act, 2013 ('the Act') and the listing agreement entered in to with Stock Exchanges.

3. Nomination and Remuneration Committee

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

- appointment of the directors, and key managerial personnel of the Company; and
- 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 2015:

- Sri Vinay Vishnuraj Nayak - Chairman
- Sri Narendra Seena Karkera - Member
- 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	2	2
Sri Narendra Seena Karkera - Member	Independent & Non-Executive Director	2	2
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 2014-2015 the committee met on 30.09.2014 and 14.02.2015.

The Board has re-constituted the nomination and remuneration committee of the Board on 30.09.2014. This is in line with the requirements of Companies Act, 2013 ('the Act') and the listing agreement entered in to with Stock Exchanges.

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, 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 2014-2015 – NIL -

Particulars	GV Mohan Prasad	M Lakshmi Sudha	Vinay Vishnuraj Nayak	Narendra Seena Karkera	K. Ramana Kumar
Basic Salary	-	-	-	-	-
Bonus/ Benefits	-	-	-	-	-
House Rent Allowance	-	-	-	-	-
Others Allowances	-	-	-	-	-
Commission	-	-	-	-	-
Other Perquisites/ performance linked incentive	-	-	-	-	-
Contribution to Provident Fund / Pension	-	-	-	-	-
Contribution to Superannuation Fund	-	-	-	-	-
Stock Option	-	-	-	-	-
Service contracts/ notice period/ severance fees	-	-	-	-	-

b) Details of Sitting Fees paid to Non-Executive Directors during the financial year 2014-2015 NIL

Name of the Director	Board Meeting (Rs)	Audit Committee Meeting(Rs)	Remuneration Committee Meeting(Rs)	Stakeholders' Relationship Committee Meeting(Rs)	Total
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

There was no pecuniary relationship or transactions of the non-executive directors vis-à-vis the company during the Financial Year ended 31st March, 2015.

c) Details of shareholding of Directors as on 31st March 2015

As on 31st March 2015, the company had two executive directors and three non-executive directors. The Executive directors Dr. GV Mohan Prasad holds 19,18,792 equity shares and Dr. M Lakshmi Sudha holds 12,44,598 equity shares in the company. The non-executive directors did not hold any equity shares in the company.

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 2014-2015. The committee approved the transfer of 300 shares in physical form.

Complaints received and redressed during the year 2014-2015

S.No.	Nature of Complaints	Number of Complaints
1	Regarding annual report	4
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	-
	TOTAL	4

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. Risk Management Committee

The Company has constituted a Risk Management Committee. The Committee is required to lay down the procedures to inform to the Board about the risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan of the Company. During the year under review, the Risk Management Committee met on 14.02.2015

The composition of the Committee and details of meetings attended by the members of the Committee are given below:

Attendance of each Director at Risk Management Committee Meeting

Name of the Director	Category	Number of committee meetings	
		Held	Attended
Dr GV Mohan Prasad - Chairman	Executive Director	1	1
Dr. M Lakshmi Sudha – Member	Executive Director	1	1
Mr. Narendra Seena Karkera – Member	Independent & Non-Executive Director	1	1

6. Meeting of Independent Directors:

The Independent Directors of the Company had met during the year on 14.02.2015 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.

7. 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.

8. 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
Neni Hi-tech Club,169, Lal Bungalow, Old Airport Road, New Bowenpally, Secunderabad – 500 011	2011-2012	29 th September, 2012, 10.35 A.M
Maharaja Function Hall, 1-54, Beside Andhra Bank, Warangal Highway, Uppal, Hyderabad – 500 039	2012-2013	30 th September, 2013, 10.30 A.M
Maharaja Function Hall, 1-54, Beside Andhra Bank, Warangal Highway, Uppal, Hyderabad – 500 039	2013-2014	30 th September, 2014, 10.30 A .M

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

AGM	Subject
September 29, 2012	Nil
September 25, 2013	2
September 30, 2014	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 2014-2015.

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

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

9. Subsidiary Companies

Bridge Corporate Services Pvt. Ltd. and Evum Life Sciences Pvt. Ltd. Subsidiaries of the Company doesn't come under the purview of the term 'material non-listed Indian subsidiary' as defined under Clause 49 of the Listing Agreement.

10. Whistle Blower Policy

The company has an established mechanism for Directors / Employees to report concerns about unethical behaviour, 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 dolphincomplainceofficer@gmail.com. The key directions / actions will be informed to the Executive Director of the Company.

11. 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) CEO/CFO Certification

The Chief Executive Officer and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on March 31, 2015 in compliance with Clause 49 of Listing Agreement.

(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 31st March 2015 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.

12. 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. 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 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.

13. 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. 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 2014-2015.

14. 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.	30.12.2015 at 9.30 AM
Venue	Maharaja Function Hall, 1-54, Beside Andhra Bank, Warangal Highway, Uppal, Hyderabad – 500 039
Book Closure Date	26.12.2015 to 30.12.2015 (both days inclusive)
Financial Year	1 st April to 31 st March

c) Registered Office:

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

d) Financial Year

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

Financial Calendar 2015-2016

Particulars	Tentative Schedule
Quarter ending on 30 th June, 2015	August 12, 2015
Quarter ending on 30 th September, 2015	November 14, 2015
Quarter ending on 31 st December, 2015	On or before February 14, 2016
Quarter ending on 31 st March, 2016 &	
Annual Result of 2015-2016	On or before May 30, 2016
Date of Book Closure	26.12.2015 to 30.12.2015 (both days inclusive)

e) Book closure date:

The Register of Members and Share Transfer Books of the Company will be closed from Saturday, December 26, 2015 to Wednesday, December 30, 2015 (both days inclusive) for the purpose of 23rd Annual General Meeting.

f) Particulars of Dividend for the year ended 31.03.2015

Company has not declared any dividend.

g) Listing of Shares

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

(Note: Annual Listing fees for the year 2015-16 was not paid to the above stock exchange)

h) Stock Market Data

Month	Highest	Lowest	Month	Highest	Lowest
April, 14	1.11	0.92	October	1.29	0.92
May	1.14	0.80	November	1.35	0.88
June	1.65	1.08	December	1.51	1.00
July	1.76	1.49	January, 15	1.82	1.39
August	1.66	1.25	February	1.34	0.92
September	1.39	1.07	March	1.32	1.00

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 31st March 2015

Particulars	Number of Share holders	Shares held in Physical form	Shares held in dematerialized form	Total Number of shares held	% of capital
Promoter and Promoter Group	-	-	-	-	-
a.Bodies Corporate	-	-	-	-	-
b.Individuals	44	1,00,011	38,92,290	39,92,301	26.44%
Total	44	1,00,011	38,92,290	39,92,301	26.44%
Public Shareholding					
I. Institutions	-	-	-	-	-
a.Mutual Funds/UTI	-	-	-	-	-
b.Financial Institutions/Banks	1	-	200	1,200	0.00%
c.Insurance Companies	-	-	-	-	-
d.Foreign Institutional Investors	1	-	1,000	1,000	0.01%
II. Non Institutions					
a.Bodies Corporate	97	4,650	4,87,315	4,91,965	3.26%
b.Individuals	5,916	4,34,350	1,00,92,468	1,05,26,818	69.71%
c.Non Resident Indians	25	1,000	79,870	80,870	0.54%
d.Others	5	-	6,798	6,798	0.04%
Total	6,089	5,40,011	1,45,59,941	1,50,99,952	100%

I) Distribution of Shareholding as on 31st March 2015

The distribution of shareholding as on 31st March, 2015:

No. of Equity Shares held	No. of Share Holders	No. of shares	% age of Capital
Up to 500	3,529	8,07,892	5.35
501 - 1000	1,028	9,08,531	6.02
1001 - 2000	638	10,52,241	6.97
2001 - 3000	240	6,40,413	4.24
3001 - 4000	132	4,95,999	3.28
4001 - 5000	143	6,81,559	4.51
5001 - 10000	220	17,00,488	11.26
10001 and above	159	88,12,829	58.36
Grand Total	6,089	150,99,952	100.00
No. of Shares in Physical Mode		5,40,011	3.58
No. of Shares in Electronic Mode		145,59,941	96.42

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: xlfield@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

15. 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.

(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.

Declaration by Chairman and Executive Director on Code of Conduct under Clause 49 of the Listing Agreement

To
The Members

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2015.

Place : Hyderabad
Date : 30.11.2015

Sd/-
Dr GV Mohan Prasad
Managing Director

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

We, G.V.Mohan Prasad, Managing Director & CEO 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 : 30.11.2015

Sd/-
Dr. G.V.Mohan Prasad
Managing Director & CEO

Sd/-
Dr. M.Lakshmi Sudha
Director & CFO

Certificate on Corporate Governance

To,
The Members of Dolphin Medical Services Ltd.

We have examined the compliance of conditions of Corporate Governance by Dolphin Medical Services Ltd. for the year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges.

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 Agreement.

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

***for Pinnamaneni & Co.,
Chartered Accountants***

Place: Hyderabad
Date : 30.11.2015

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

Annexure VIII

Declaration by Managing Director

I, G.V.Mohan Prasad, Managing Director and CEO of Dolphin Medical Services Ltd. hereby declare that the members of Board, Key Managerial Personnel and other senior level employees of the Company are adhering to the code of conduct adopted by the Board which is posted on the website of the Company.

Place : Hyderabad
Date : 30.11.2015

Sd/-
***GV Mohan Prasad
Managing Director***

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To

The Board of Directors of M/s. Dolphin Medical Services Ltd.

1. We have audited the attached Consolidated Balance Sheet of M/s. Dolphin Medical Services Ltd. and its subsidiaries M/s. Bridge Corporate Services Pvt. Ltd. and M/s. Evum Life Sciences Pvt. Ltd. (hereinafter together referred to as 'consolidated entities') as at 31st March, 2015, the related Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that, which we have signed under reference to this report. These Consolidated Financial Statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted the audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21, 'Consolidated Financial Statements' as referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 and on the basis of the separate audited financial statements of the company and its subsidiaries included in the Consolidated Financial Statements.
4. On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of the company and its aforesaid consolidated entities, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a. in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the company and its consolidated entities as at 31st March, 2015.
 - b. in the case of the consolidated Profit and Loss Account, of the consolidated results of operations of company and its consolidated entities for the year ended 31st March, 2015 and
 - c. in the case of the consolidated cash flow statement, of the consolidated cash flows of the company and its consolidated entities for the year ended 31st March, 2015.

PINNAMANENI & CO.,
CHARTERED ACCOUNTANTS
F.R.No. 002661S
Sd/-
CA PVV SATYANARAYANA
Partner
M.No. 026600
Place: Hyderabad
Date: 30.05.2015

Consolidated Balance Sheet as at 31st March, 2015

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. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	150,999,520.00	150,999,520.00
(b) Reserves and Surplus	2	-22,964,893.49	-17,218,968.39
(c) Minortiy Interest		7,90,000.00	7,45,000.00
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	80,469,265.00	80,958,265.00
(b) Deferred tax liabilities (Net)	4	6,434,858.00	6,604,625.00
(3) Current Liabilities			
(a) Trade payables		151,038.00	58,942.05
(b) Other currentliabilities		814,487.08	887,670.60
Total		216,694,274.59	223,035,054.26
II.ASSETS			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	5	107,126,427.63	112,295,383.35
(ii) Intangible assets under development	6	39,751,663.00	39,712,314.00
(iii) Capital work-in-progress		21,426,627.00	21,426,627.00
(b) Non-current investments	7	4,100,000.00	4,100,000.00
(c) Long term loans and advances		28,195,000.00	28,195,000.00
(d) Other non-current assets	8	679,422.00	835,453.00
(2) Current assets			
(a) Inventories		71,400.00	284,790.00
(b) Cash and cash equivalents	9	71,029.96	97,080.91
(c) Short-term loans and advances	10	15,062,705.00	15,878,406.00
(d) Other current assets		210,000.00	210,000.00
Total		216,694,274.59	223,035,054.26
Significant Accounting Policies			
Notes on Accounts	1to15		

for DOLPHIN MEDICAL SERVICES LIMITED
Sd/-Dr. G. V. MOHAN PRASAD
Managing DirectorSd/-
Dr. M. LAKSHMI SUDHA
Director & CFOPlace : Hyderabad
Date : 30.05.2015As per our report of even date
for PINNAMANENI & CO.,
CHARTERED ACCOUNTANTS
Sd/-
CA P.V.V.SATYANARAYANA
Partner

Consolidated Profit and Loss statement for the year ended 31st March, 2015

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	3,768,140.00	9,586,400.00
II. Other Income		6,139.00	0.00
III. Total Revenue (I +II)		3,774,279.00	9,586,400.00
IV. Expenses:			
Cost of materials consumed	12	977,566.00	2,980,650.00
Employee benefit expense	13	373,470.00	2,596,930.00
Financial costs	14	382,363.91	458,577.36
Depreciation and amortization expense	5	5,168,955.72	7,138,927.00
Other expenses	15	2,787,615.47	5,020,821.44
Total Expenses		9,689,971.10	18,195,905.80
V. Profit/(Loss) before exceptional and extraordinary items and tax	(III - IV)	-5,915,692.10	-8,609,505.80
VI. Profit/(Loss) before tax		-5,915,692.10	-8,609,505.80
VII. Tax expense:			
Income Tax		—	—
Deferred tax		-169,767.00	39,408.00
VIII. Profit/(Loss) for the period from continuing operations	(V -VII)	-5,745,925.10	-8,648,913.80
IX. Profit/(Loss) for the period		-5,745,925.10	-8,648,913.80
X. Earning per equity share:			
(1) Basic		-0.38	-0.57
(2) Diluted		-0.38	-0.57

for DOLPHIN MEDICAL SERVICES LIMITED
Sd/-
Dr. G. V. MOHAN PRASAD
Managing Director

Sd/-
Dr. M. LAKSHMI SUDHA
Director & CFO

Place : Hyderabad
Date : 30.05.2015

As per our report of even date
for PINNAMANENI & CO.,
CHARTERED ACCOUNTANTS
Sd/-
CA P.V.V.SATYANARAYANA
Partner

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2015

CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit/(Loss) after tax	(5,745,925.10)
Adjustment For	
Depreciation	5,168,955.72
Proposed Dividend	---
Profit/Loss on Fixed Assets	---
Interest & Finance Charges	382,363.91
Prel. Exp.W/o	---
Operating Profit/(Loss) before working capital charges	(194,605.47)
Adjustment For	
Increase/ Decrease in inventory	213,390.00
Increase/ Decrease in Loans & Advances	815,701.00
Increase/ Decrease in Deposits	---
Increase/ Decrease in Other Current Assets	156,031.00
Increase/ Decrease in Trade payables	92,095.95
Increase/ Decrease in Trade Receivables	---
Increase/ Decrease in Current Liabilities	(455,547.43)
Provision for Deferred tax	(169,767.00)
Cash generated from operations (A)	457,298.05
CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	—
Increase/Decrease in Capital Work in progress	—
Sale of Fixed Assets	—
Purchase of Investment	—
Sale of Investment	—
Interest received	—
Dividend received	—
Finance Charges paid	---
Net cash flow from investing activities (B)	—
CASH FLOW FROM FINANCIAL ACTIVITIES	
Increase/Decrease in Minority Interest	45,000.00
Proceeds from Borrowings	2,511,000.00
Payment of Borrowings	(3,000,000.00)
Dividend paid	—
Increase/Decrease in Intangible Assets	(39,349.00)
Net cash used in Financing Activities (C)	(483,349.00)
Net Increase /(Decrease) incash and cash equivalents (A+B+C)	(26,050.95)
Cash and Cash equivalents as at previous year	97,080.91
Cash and Cash equivalents as at current year	71,029.96

for DOLPHIN MEDICAL SERVICES LIMITED

Sd/-

Dr. G. V. MOHAN PRASAD

Managing Director

Sd/-

Dr. M. LAKSHMI SUDHA

Director & CFO

Place : Hyderabad

Date : 30.05.2015

As per our report of even date

for PINNAMANENI & CO.,

CHARTERED ACCOUNTANTS

Sd/-

CA P.V.V.SATYANARAYANA

Partner

SIGNIFICANT ACCOUNTING POLICIES and NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015**I. SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED ACCOUNTS.****a. Basis of Preparation of Consolidated Financial Statements**

The Consolidated Financial Statements include accounts of Dolphin Medical Services Limited ('the company') and its Subsidiaries Bridge Corporate Services Private Ltd. and Evum Life Sciences Private Ltd. The Consolidated 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.1.70 Lakhs is shown in the Profit and Loss account under provision for deferred tax. As at the year end, deferred Tax liability aggregates to Rs.64.35 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 TO THE CONSOLIDATED ACCOUNTS.

Notes to the accounts forming part of Consolidated Balance Sheet as on 31st March 2015 and Consolidated Profit and Loss account for the year ended on that date.

1. The company is a holding company with investments in subsidiary companies.
2. All the fixed assets are located in India and are as detailed in Notes.
3. The stocks are valued at cost or market value whichever is less.
4. Contingent liabilities not provided for.
5. Figures have been re-grouped wherever necessary.
6. 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

Place : Hyderabad
Date : 30.05.2015

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

Sd/-

CA P.V.V.SATYANARAYANA
Partner

DOLPHIN MEDICAL SERVICES LIMITED, HYDERABAD - 500 073

Notes on Accounts

Amount in Rupees

	PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
1	Share Capital		
a	Authorised		
	2,50,00,000 Equity Shares of Rs.10/- each	250,000,000.00	250,000,000.00
b	ISSUED CAPITAL		
	1,62,75,300 Equity Shares of Rs.10/- each	162,753,000.00	162,753,000.00
c	SUBSCRIBED & PAID UP CAPITAL		
	1,50,99,952 Equity Shares of Rs.10/- each	150,999,520.00	150,999,520.00
1.1	Details of Share Holders holding more than 5% Shares		
	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	Reconciliation of Shares outstanding is set out below		
	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	Reserves and Surplus		
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	-44,133,672.39	-35,484,758.59
	Add: Profit/Loss (-) during the year	-5,745,925.10	-8,648,913.80
	Total	-49,879,597.49	-44,133,672.39
		-22,964,893.49	-17,218,968.39
3	Long Term Borrowings		
	Loan from Director	2,511,000.00	-
	Term Loan	77,958,265.00	80,958,265.00
	Total	80,469,265.00	80,958,265.00
	(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 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	Deferred tax liabilities (Net)		
	Opening Balance	6,604,625.00	6,565,217.00
	Add: Current year (Asset)/Liability	-169,767.00	39,408.00
	Total	6,434,858.00	6,604,625.00
6	Intangible Assets under development		
	Research & Development Expenditure	16,300,662.00	16,300,662.00
	Miscellaneous Expenditure (to the extent not written off or adjusted)	23,451,001.00	23,411,652.00
	Total	39,751,663.00	39,712,314.00
7	Non-current investments		
	Meridian Projects Limited	3,200,000.00	3,200,000.00
	Cosmic Fortunes India Ltd.	900,000.00	900,000.00
	Total	4,100,000.00	4,100,000.00
8.	Other non-current assets		
	Rent Deposit	575,920.00	575,920.00
	Telephone Deposit	---	53,000.00
	Electricity Deposit	103,502.00	103,502.00
	PF Deposit	---	103,031.00
	Total	679,422.00	835,453.00
9	Cash and cash equivalents		
	Cash in Hand	39,821.00	66,172.00
	Balance with Banks	31,208.96	30,908.91
	Total	71,029.96	97,080.91
9	Short-term loans and advances		
	Advances recoverable in cash or kind or for value to be received		
	Income Tax deducted at source	---	35,701.00
	Loans and Advances-Considered Good unsecured	6,578,174.00	6,578,174.00
	Loans and Advances-Considered Doubtful	8,484,531.00	8,764,531.00
	Other Loans and Advances	---	500,000.00
	Total	15,062,705.00	15,878,406.00

Notes on Accounts

	PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
1 1	Revenue from Operations		
	<u>Medical Division:</u>		
	Diagnostics & Other Allied Services	3,636,540.00	9,066,100.00
	Biotech & Herbal Services	43,400.00	207,300.00
	<u>Software Division:</u>		
	Software Operations	88,200.00	313,000.00
	Total	3,768,140.00	9,586,400.00
1 2	Cost of Materials Consumed		
	Opening Stock	284,790.00	397,520.00
	Purchases	764,176.00	2,867,920.00
	Closing Stock	71,400.00	284,790.00
	Cost of Materials Consumed	977,566.00	2,980,650.00
1 3	Employee Benefit Expense		
	Salaries	364,500.00	1,134,600.00
	Staff Welfare Expenses	8,970.00	97,820.00
	Incentives to Staff	---	89,510.00
	Directors Remuneration	---	1,275,000.00
	Total	373,470.00	2,596,930.00
1 4	Financial Costs		
	Interest and Finance Charges	382,363.91	458,577.36
	Total	382,363.91	458,577.36
1 5	Other Expenses		
	Consultancy Charges	41,600.00	197,200.00
	Laboratory Maintenance	---	79,420.00
	Repairs & Maintenance	69,580.00	539,700.00
	Medical Expenses	64,781.00	197,904.00
	Rent	515,088.00	737,088.00
	Misc. Amenities	94,100.00	147,800.00
	Printing & Stationery	78,410.00	126,478.00
	Postage & Telegrams	67,820.00	139,470.00
	Conveyance	42,140.00	76,512.00
	Travelling Exps.	215,720.00	550,820.00
	Hospital Maintenance	73,960.00	154,780.00
	Vehicle Maintenance	79,680.00	235,473.00
	Books & Subscriptions	42,170.00	97,480.00
	Advertisement	37,410.00	54,790.00
	Rates, Taxes & Fees	63,564.16	87,393.46
	Interest on Income Tax	31,201.70	30,760.00
	Bank Charges	83,549.61	40,216.98
	Computers Maintenance	65,700.00	102,740.00
	Software Development	75,000.00	267,500.00
	Share Transfer Expenses	42,690.00	43,596.00
	Listing Fees	181,250.00	112,360.00
	Generators Maintenance	99,490.00	157,810.00
	Marketing Expenses	90,470.00	215,730.00
	Telephone Charges	98,350.00	124,906.00
	Electricity Charges	219,170.00	215,129.00
	Insurance	10,276.00	22,175.00
	Educational Updates	24,750.00	125,740.00
	Seminars	16,780.00	119,850.00
	Provident Fund Paid	242,915.00	---
	Audit Fees	20,000.00	20,000.00
	Total	2,787,615.47	5,020,821.44

5. TANGIBLE ASSETS AND DEPRECIATION SCHEDULE FOR THE PERIOD ENDED 31.03.2015

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	461,514.15	170,977.00	290,537.15	344,999.39	18,100.00	170,977.00	192,122.39	98,414.76	116,514.76
Steel Furniture	229,400.00	---	229,400.00	57,168.00	14,292.00	---	71,460.00	157,940.00	172,232.00
Plant & Machinery	90,670,393.00	---	90,670,393.00	27,373,631.13	4,631,571.00	---	32,005,202.13	58,665,190.87	63,296,761.87
Computers, Printers & Accessories	1,102,269.72	---	1,102,269.72	1,101,920.00	349.72	---	1,102,269.72	---	349.72
Fax, Copier & EPABX	376,001.00	---	376,001.00	122,381.00	26,583.00	---	148,964.00	227,037.00	253,620.00
Fans & ACs	703,095.00	6,400.00	696,695.00	266,115.00	49,256.00	6,400.00	308,971.00	387,724.00	436,980.00
Fixtures on Leasehold Buildings including Electrical Equipment & accessories	8,353,602.03	---	8,353,602.03	8,353,602.03	---	---	8,353,602.03	---	---
Cellular Phones	67,975.00	27,475.00	40,500.00	40,508.00	2,523.00	27,475.00	15,556.00	24,944.00	27,467.00
Ambulance	256,856.00	---	256,856.00	95,342.00	18,160.00	---	113,502.00	143,354.00	161,514.00
Electrical Equipments	1,917,640.00	---	1,917,640.00	655,934.00	135,577.00	---	791,511.00	1,126,129.00	1,261,706.00
Vehicles	2,868,886.00	---	2,868,886.00	1,986,368.00	272,544.00	---	2,258,912.00	609,974.00	882,518.00
TOTAL	152,693,351.90	204,852.00	152,488,499.90	40,397,968.55	5,168,955.72	204,852.00	45,362,072.27	107,126,427.63	112,295,383.35

INDEPENDENT AUDITORS' REPORT

To
The Members of Dolphin Medical Services Limited, Hyderabad

Report on the Financial Statements

We have audited the accompanying financial statements of **DOLPHIN MEDICAL SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, and the Statement of Profit and Loss and the Cash Flow statement for the period 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 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 for the Financial Statements

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 controls 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

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 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:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) In the case of the Statement of Profit and Loss, of the loss for the period ended on that date.
- c) In the case of Cash Flow Statement, of the cash flows of the company for the period ended on that date.

Report on Emphasis of Matter(s) (EOM)

There is no Emphasis of matters to report upon.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) The Balance Sheet and the Statement of Profit and Loss and the Cash Flow, 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 referred to in of Section 133 of the Companies Act, 2013, read with Rule 7 of the Company (Accounts) Rules 2014.
- e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013.
- f) With respect to the other matters included in the Auditor's Report and to our 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 has not entered into any long-term contracts including derivatives contracts requiring provision under applicable laws or accounting standards, for material foreseeable losses and
 - iii) No amount is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013. Hence delay in depositing the amounts to the said fund is not applicable.

for and on behalf of

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

sd/-

CA PVV SATYANARAYANA
Partner
M.No. 026600

Place: Hyderabad

Date: 30.05.2015

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our Independent Auditor's Report of even date to the members of DOLPHIN MEDICAL SERVICES LIMITED on the financial statements of the Company for the period ended 31st March, 2015.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. Fixed Assets

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

2. Inventories:

- a. The inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

c. In our opinion and on the basis of our examination of the records, the company is generally maintaining proper records of its inventories. No material discrepancies were noticed on physical verification of inventories as compared to book records

3. Loans:

According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not granted any loans to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), iii(b) of the Order are not applicable to the Company.

4. Internal Controls

In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of stores, raw materials, plant and machinery, equipment, other assets, for the sale of goods and in respect of its regular operations. During the course of the audit, we have not observed any major weakness in the internal control system.

5. Public Deposits

The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.

6. Cost Records

As per the information & explanation given by the management, the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Act.

7. Statutory Dues:

a) According to the records of the company, there are no undisputed statutory dues including Provident Fund, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities.

b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.

c) There is no such amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

8. Profit and Loss

The company has been registered for more than five years. The Company has accumulated losses to the extent of Rs.498.79 lakhs at the end of the financial year. The Company has incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.

9. Payments to Banks, Financial Institutions etc

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 of Rs.804.58 lakhs 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 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. The company has not issued any debentures.

10. Guarantees

According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.

11. Term Loans

The company has not taken any term loans during the year and therefore the application thereof does not arise.

12. Fraud

According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

PINNAMANENI & CO.,
CHARTERED ACCOUNTANTS
F.R.No. 002661S
Sd/-

CA PVV SATYANARAYANA
Partner
M.No. 026600
Place: Hyderabad
Date: 30.05.2015

Balance Sheet as at 31st March, 2015

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. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	150,999,520.00	150,999,520.00
(b) Reserves and Surplus	2	-22,964,893.49	-17,218,968.39
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	80,469,265.00	80,958,265.00
(b) Deferred tax liabilities (Net)	4	6,434,858.00	6,604,625.00
(3) Current Liabilities			
(a) Trade payables		151,038.00	58,942.05
(b) Other current liabilities		814,487.08	887,670.60
Total		215,904,274.59	222,290,054.26
II. ASSETS			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	5	107,126,427.63	112,295,383.35
(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	5,225,000.00	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	835,453.00
(2) Current assets			
(a) Inventories		71,400.00	284,790.00
(b) Cash and cash equivalents	9	59,325.96	91,027.91
(c) Short-term loans and advances	10	15,062,705.00	15,878,406.00
(d) Other current assets		210,000.00	210,000.00
Total		215,904,274.59	222,290,054.26
Significant Accounting Policies			
Notes on Accounts	1to15		

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 : 30.05.2015

Profit and Loss statement for the year ended 31st March, 2015

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	3,768,140.00	9,586,400.00
II. Other Income		6,139.00	0.00
III. Total Revenue (I +II)		3,774,279.00	9,586,400.00
<u>IV. Expenses:</u>			
Cost of materials consumed	12	977,566.00	2,980,650.00
Employee benefit expense	13	373,470.00	2,596,930.00
Financial costs	14	382,363.91	458,577.36
Depreciation and amortization expense	5	5,168,955.72	7,138,927.00
Other expenses	15	2,787,615.47	5,020,821.44
Total Expenses		9,689,971.10	18,195,905.80
V. Profit/(Loss) before exceptional and extraordinary items and tax	(III - IV)	-5,915,692.10	-8,609,505.80
VI. Profit/(Loss) before tax		-5,915,692.10	-8,609,505.80
VII. Tax expense:			
Income Tax		—	—
Deferred tax		-169,767.00	39,408.00
VIII. Profit/(Loss) for the period from continuing operations	(V -VII)	-5,745,925.10	-8,648,913.80
IX. Profit/(Loss) for the period		-5,745,925.10	-8,648,913.80
X. Earning per equity share:			
(1) Basic		-0.38	-0.57
(2) Diluted		-0.38	-0.57

for DOLPHIN MEDICAL SERVICES LIMITED

Sd/-

Dr. G. V. MOHAN PRASAD

Managing Director

Sd/-

Dr. M. LAKSHMI SUDHA

Director & CFO

Place : Hyderabad

Date : 30.05.2015

As per our report of even date

for PINNAMANENI & CO.,

CHARTERED ACCOUNTANTS

Sd/-

CA P.V.V.SATYANARAYANA

Partner

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2015

CASH FLOW FROM OPERATING ACTIVITIES

Net Profit/(Loss) after tax	(5,745,925.10)
Adjustment For	
Depreciation	5,168,955.72
Proposed Dividend	---
Profit/Loss on Fixed Assets	---
Interest & Finance Charges	382,363.91
Prel. Exp.W/o	---
Operating Profit/(Loss) before working capital charges	(194,605.47)
Adjustment For	
Increase/ Decrease in inventory	213,390.00
Increase/ Decrease in Loans & Advances	815,701.00
Increase/ Decrease in Deposits	---
Increase/ Decrease in Other Current Assets	156,031.00
Increase/ Decrease in Trade payables	92,095.95
Increase/ Decrease in Trade Receivables	---
Increase/ Decrease in Current Liabilities	(455,547.43)
Provision for Deferred tax	(169,767.00)
Cash generated from operations (A)	457,298.05
CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	—
Increase/Decrease in Capital Work in progress	—
Sale of Fixed Assets	—
Purchase of Investment	—
Sale of Investment	—
Interest received	—
Dividend received	—
Finance Charges paid	---
Net cash flow from investing activities (B)	—
CASH FLOW FROM FINANCIAL ACTIVITIES	
Increase/Decrease in Minority Interest	—
Proceeds from Borrowings	2,511,000.00
Payment of Borrowings	(3,000,000.00)
Dividend paid	—
Increase/Decrease in Intangible Assets	—
Net cash used in Financing Activities (C)	(489,000.00)
Net Increase /(Decrease) incash and cash equivalents (A+B+C)	(31,701.95)
Cash and Cash equivalents as at previous year	91,027.91
Cash and Cash equivalents as at current year	59,325.96

for DOLPHIN MEDICAL SERVICES LIMITED

Sd/-

Dr. G. V. MOHAN PRASAD

Managing Director

Sd/-

Dr. M. LAKSHMI SUDHA

Director & CFO

Place : Hyderabad

Date : 30.05.2015

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

Sd/-

CA P.V.V.SATYANARAYANA

Partner

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2015**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.1.70 Lakhs is shown in the Profit and Loss account under provision for deferred tax. As at the year end, deferred Tax liability aggregates to Rs.64.35 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 2015 and Profit and Loss account for the year ended on that date.

1. The company is a holding company with investments in subsidiary companies.
2. All the fixed assets are located in India and are as detailed in Notes.
3. The stocks are valued at cost or market value whichever is less.
4. Contingent liabilities not provided for.
5. Figures have been re-grouped wherever necessary.
6. 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

Place : Hyderabad
Date : 30.05.2015

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

Sd/-

CA P.V.V.SATYANARAYANA
Partner

DOLPHIN MEDICAL SERVICES LIMITED, HYDERABAD - 500 073

Notes on Accounts

Amount in Rupees

	PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
1	Share Capital		
a	Authorised		
	2,50,00,000 Equity Shares of Rs.10/- each	250,000,000.00	250,000,000.00
b	ISSUED CAPITAL		
	1,62,75,300 Equity Shares of Rs.10/- each	162,753,000.00	162,753,000.00
c	SUBSCRIBED & PAID UP CAPITAL		
	1,50,99,952 Equity Shares of Rs.10/- each	150,999,520.00	150,999,520.00
1.1	Details of Share Holders holding more than 5% Shares		
	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	Reconciliation of Shares outstanding is set out below		
	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	Reserves and Surplus		
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	-44,133,672.39	-35,484,758.59
	Add: Profit/Loss (-) during the year	-5,745,925.10	-8,648,913.80
		-49,879,597.49	-44,133,672.39
	Total	-22,964,893.49	-17,218,968.39
3	Long Term Borrowings		
	Loan from Director	2,511,000.00	-
	Term Loan	77,958,265.00	80,958,265.00
		80,469,265.00	80,958,265.00
	(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	Deferred tax liabilities (Net)		
	Opening Balance	6,604,625.00	6,565,217.00
	Add: Current year (Asset)/Liability	-169,767.00	39,408.00
	Total	6,434,858.00	6,604,625.00
6	Intangible Assets under development		
	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
	Total	37,848,367.00	37,848,367.00
7	Non-current investments		
	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	575,000.00
	Evum Life Sciences Pvt. Ltd.	550,000.00	550,000.00
	Total	5,225,000.00	5,225,000.00
8.	Other non-current assets		
	Rent Deposit	575,920.00	575,920.00
	Telephone Deposit	---	53,000.00
	Electricity Deposit	103,502.00	103,502.00
	PF Deposit	---	103,031.00
	Total	679,422.00	835,453.00
9	Cash and cash equivalents		
	Cash in Hand	28,117.00	60,119.00
	Balance with Banks	31,208.96	30,908.91
	Total	59,325.96	91,027.91
10	Short-term loans and advances		
	Advances recoverable in cash or kind or for value to be received		
	Income Tax deducted at source	---	35,701.00
	Loans and Advances-Considered Good unsecured	6,578,174.00	6,578,174.00
	Loans and Advances-Considered Doubtful	8,484,531.00	8,764,531.00
	Other Loans and Advances	---	500,000.00
	Total	15,062,705.00	15,878,406.00

Notes on Accounts

	PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
11	Revenue from Operations		
	<u>Medical Division:</u>		
	Diagnostics & Other Allied Services	3,636,540.00	9,066,100.00
	Biotech & Herbal Services	43,400.00	207,300.00
	<u>Software Division:</u>		
	Software Operations	88,200.00	313,000.00
	Total	3,768,140.00	9,586,400.00
12	Cost of Materials Consumed		
	Opening Stock	284,790.00	397,520.00
	Purchases	764,176.00	2,867,920.00
	Closing Stock	71,400.00	284,790.00
	Cost of Materials Consumed	977,566.00	2,980,650.00
13	Employee Benefit Expense		
	Salaries	364,500.00	1,134,600.00
	Staff Welfare Expenses	8,970.00	97,820.00
	Incentives to Staff	---	89,510.00
	Directors Remuneration	---	1,275,000.00
	Total	373,470.00	2,596,930.00
14	Financial Costs		
	Interest and Finance Charges	382,363.91	458,577.36
	Total	382,363.91	458,577.36
15	Other Expenses		
	Consultancy Charges	41,600.00	197,200.00
	Laboratory Maintenance	---	79,420.00
	Repairs & Maintenance	69,580.00	539,700.00
	Medical Expenses	64,781.00	197,904.00
	Rent	515,088.00	737,088.00
	Misc. Amenities	94,100.00	147,800.00
	Printing & Stationery	78,410.00	126,478.00
	Postage & Telegrams	67,820.00	139,470.00
	Conveyance	42,140.00	76,512.00
	Travelling Exps.	215,720.00	550,820.00
	Hospital Maintenance	73,960.00	154,780.00
	Vehicle Maintenance	79,680.00	235,473.00
	Books & Subscriptions	42,170.00	97,480.00
	Advertisement	37,410.00	54,790.00
	Rates, Taxes & Fees	63,564.16	87,393.46
	Interest on Income Tax	31,201.70	30,760.00
	Bank Charges	83,549.61	40,216.98
	Computers Maintenance	65,700.00	102,740.00
	Software Development	75,000.00	267,500.00
	Share Transfer Expenses	42,690.00	43,596.00
	Listing Fees	181,250.00	112,360.00
	Generators Maintenance	99,490.00	157,810.00
	Marketing Expenses	90,470.00	215,730.00
	Telephone Charges	98,350.00	124,906.00
	Electricity Charges	219,170.00	215,129.00
	Insurance	10,276.00	22,175.00
	Educational Updates	24,750.00	125,740.00
	Seminars	16,780.00	119,850.00
	Provident Fund Paid	242,915.00	---
	Audit Fees	20,000.00	20,000.00
	Total	2,787,615.47	5,020,821.44

5. TANGIBLE ASSETS AND DEPRECIATION SCHEDULE FOR THE PERIOD ENDED 31.03.2015

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	461,514.15	170,977.00	290,537.15	344,999.39	18,100.00	170,977.00	192,122.39	98,414.76	116,514.76
Steel Furniture	229,400.00	---	229,400.00	57,168.00	14,292.00	---	71,460.00	157,940.00	172,232.00
Plant & Machinery	90,670,393.00	---	90,670,393.00	27,373,631.13	4,631,571.00	---	32,005,202.13	58,665,190.87	63,296,761.87
Computers, Printers & Accessories	1,102,269.72	---	1,102,269.72	1,101,920.00	349.72	---	1,102,269.72	---	349.72
Fax, Copier & EPABX	376,001.00	---	376,001.00	122,381.00	26,583.00	---	148,964.00	227,037.00	253,620.00
Fans & ACs	703,095.00	6,400.00	696,695.00	266,115.00	49,256.00	6,400.00	308,971.00	387,724.00	436,980.00
Fixtures on Leasehold Buildings including Electrical Equipment & accessories	8,353,602.03	---	8,353,602.03	8,353,602.03	---	---	8,353,602.03	---	---
Cellular Phones	67,975.00	27,475.00	40,500.00	40,508.00	2,523.00	27,475.00	15,556.00	24,944.00	27,467.00
Ambulance	256,856.00	---	256,856.00	95,342.00	18,160.00	---	113,502.00	143,354.00	161,514.00
Electrical Equipments	1,917,640.00	---	1,917,640.00	655,934.00	135,577.00	---	791,511.00	1,126,129.00	1,261,706.00
Vehicles	2,868,886.00	---	2,868,886.00	1,986,368.00	272,544.00	---	2,258,912.00	609,974.00	882,518.00
TOTAL	152,693,351.90	204,852.00	152,488,499.90	40,397,968.55	5,168,955.72	204,852.00	45,362,072.27	107,126,427.63	112,295,383.35

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 23rd Annual general meeting of the company, to be held on the 30th day of December, 2015 at 9.30 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)	Ordinary Business		
1)	Adoption of Financial Statements, Auditor's Report and Directors' Report		
2)	To appoint a Director in the place of Dr. M Lakshmi Sudha, who retires by rotation being eligible offers herself for re-appointment.		
3)	To ratify the continuation of the Statutory Auditors. The Statutory Auditors M/s. Pinnamaneni & Co., Chartered Accountants are eligible for continuing appointment		
4)	Special Business : To regularization of appointment of Dr K Ramana Kumar (DIN 00754148) as Director		

Signed this ___ day of December, 2015

Signature of shareholder

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

**Affix Re.1/-
Revenue**

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 23rd Annual General Meeting of the Company, to be held on the 30th day of, December, 2015 at 9.30 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

**BOOK - POST
PRINTED MATTER**

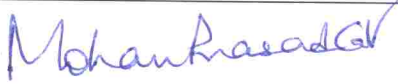

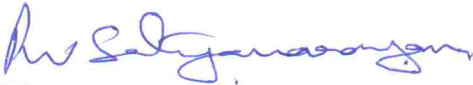

If Undelivered Please return to :

 **Dolphin**
Medical Services Limited

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

FORM A

Pursuant to Clause 31(a) of the Listing Agreement Covering letter of
Annual Audit Report to be filed with the Stock Exchanges
(SEBI Circular No.CIR/CFD/DIL/7/2012 dated 13 August 2012)

1	Name of the Company	DOLPHIN MEDICAL SERVICES LIMITED
2	Annual financial statements for the year ended	31 st March 2015
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable
5	Signed by	
	G. V. MOHAN PRASAD CEO - Managing Director	
	M. LAKSHMI SUDHA CFO - Director	
	P. V. V. SATYANARAYANA Statutory Auditor	
	NARENDRA SEENA KARKERA Chairman - Audit Committee	

Place : Hyderabad

Date 30 11 .2015