

Dolphin

Medical Services Limited



11th ANNUAL REPORT
2002 - 2003

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

BOARD OF DIRECTORS

Dr. G.V. MOHAN PRASAD
Dr. M. LAKSHMI SUDHA
Mr. G. MALLIKHARJUNA RAO

Managing Director
Executive Director
Director

AUDITORS

M/s. Pinnamaneni & Co.
Chartered Accountants
3 & 4 Ground Floor
Ram's VSR Apartments
Near P. B. Siddhartha Public School
Moghulraj Puram
VIJAYAWADA - 520 010

REGISTERED OFFICE

Ramachandra Rao Road
Suryaraopet
VIJAYAWADA - 520 002
Krishna District
Andhra Pradesh
INDIA

SHARE TRANSFER AGENTS

M/s. Ikon Visions (P) Ltd.
Flat No.33, Ground Floor
Sanali Heavens, 8-3-948
Ameerpet
HYDERABAD - 500 073.

BANKERS

The Federal Bank Limited
Oriental Bank of Commerce
Andhra Bank
Canara Bank

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NOTICE OF 11th ANNUAL GENERAL MEETING

Notice is hereby given that the Eleventh Annual General Meeting of DOLPHIN MEDICAL SERVICES LIMITED will be held on Thursday the 11th September 2003 at 9.00 A.M. at the Registered Office of the Company at Ramachandra Rao Road, Suryarao pet, Vijayawada - 520 002, A.P., INDIA to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2003 and Reports of the Directors and Auditors thereon.
2. To appoint Auditors and fix their remuneration.
3. To Transact any other business relating to the company with the permission of the Chair.

SPECIAL BUSINESS**4. To be moved as a Special Resolution.**

To consider and if thought fit, to pass, with or without Modification(s) the following Resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 198, 309,310 and Schedule XIII (as amended) and other applicable provisions, if any of the Companies Act 1956, the consent of the Company be and is hereby accorded that Dr.G.V.Mohan Prasad is hereby appointed as Managing Director of the Company for a period of 5 years from this date on the terms and conditions as specified below.

Period of appointment: 5 years from 11.09.2003

Remuneration:

1. Salary: Rs.41,000/- (Rupees Forty One Thousand only) per month.
2. In addition to the above, the following perquisites shall be allowed and they shall be restricted to an amount not exceeding Rs.16,000/- per month or Rs.1,92,000/- per annum.
- A) Housing 1: The expenditure by the Company on hiring unfurnished accommodation will be subject to the 50% of salary over and above 10% payable by him.
- Housing 2: In case the accommodation is owned by the Company 10% of the salary shall be deducted by the Company.
- Housing 3: In case no accommodation is provided by the Company he shall be entitled to House Rent Allowance subject to the ceilings laid down in Housing 1.

Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules. However this shall be subject to a ceiling of 10% of the salary.

- B) Medical Reimbursement: Expenses incurred for him and his family subject to a ceiling of one month salary in a year or three months salary over a period of three years.
- C) Leave Travel Concession: Once in a year to him and his family in accordance with any rules specified by the Company.
- D) Club Fees: Fees of Clubs subject to a maximum of two Clubs. This will not include admission and life membership fees.
- E) Personal Accident Insurance Premium not to exceed Rs.10,000/- per month.

Explanation: For the above purpose family means spouse, dependant children and dependant parents.

- F) Provision of car for use on Company's Business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephones and the use of car for private purpose shall be billed by the company.
- G) Consultancy Charges for the professional services rendered in the Company.

5. To be moved as a Special Resolution.

To consider and if thought fit, to pass, with or without Modification(s) the following Resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 198, 309,310 and Schedule XIII (as amended) and other applicable provisions, if any of the Companies Act 1956, the consent of the Company be and is hereby accorded that Dr.M. Lakshmi Sudha is hereby appointed as Executive Director of the Company for a period of 5 years from this date on the terms and conditions as specified below.

Period of appointment: 5 years from 11.09.2003

Remuneration:

1. Salary: Rs.36,000/- (Rupees Thirty Six Thousand only) per month.
2. In addition to the above, the following perquisites shall be allowed and they shall be restricted to an amount not exceeding Rs.16,000/- per month or Rs.1,92,000/- per annum.
- A) Housing 1: The expenditure by the Company on hiring unfurnished accommodation will be subject to the 50% of salary over and above 10% payable by him.
- Housing 2: In case the accommodation is owned by the Company 10% of the salary shall be deducted by the Company.
- Housing 3: In case no accommodation is provided by the Company she shall be entitled to House Rent Allowance subject to the ceilings laid down in Housing 1.

Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules. However this shall be subject to a ceiling of 10% of the salary.

- B) Medical Reimbursement: Expenses incurred for her and her family subject to a ceiling of one month salary in a year or three months salary over a period of three years.
- C) Leave Travel Concession: Once in a year to her and her family in accordance with any rules specified by the Company.
- D) Club Fees: Fees of Clubs subject to a maximum of two Clubs. This will not include admission and life membership fees.

E) Personal Accident Insurance Premium not to exceed Rs.10,000/- per month.

Explanation: For the above purpose family means spouse, dependant children and dependant parents.

F) Provision of car for use on Company's Business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephones and the use of car for private purpose shall be billed by the company.

G) Consultancy Charges for the professional services rendered in the Company.

NOTES FOR MEMBERS ATTENTION

1. Notice is also given that the Register of Members and Share Transfer books in respect of Equity Shares of the Company will remain closed from 10.09.2003 to 11.09.2003 (both days inclusive).
2. A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
3. The instrument appointing a proxy should however be deposited at the Registered Office of the Company not less than Forty Eight hours before the commencement of the Meeting.
4. Shareholders are requested to notify change in address if any, immediately to the Company's Registrars.
5. Share holders are requested to bring their copies of Annual Report to the Meeting. Copies of the Annual Report will not be available for distribution to Shareholders at the Hall.
6. Share holders attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the Meeting place.
7. Shareholders intending to require information about Accounts to be explained in the Meeting are requested to inform the Company atleast 7 days in advance of the Annual General Meeting.
8. All Shareholders are advised to send their certificates for transfer & DEMAT directly to the Share Transfer Agents.

M/S. IKON VISIONS (P) LTD.,
Flat No.33, Ground Floor,
Sanali Heavens, 8-3-948
AMEERPET, HYDERABAD-500 073.

Place : Vijayawada
Date : 18.08.2003

BY ORDER OF THE BOARD
for DOLPHIN MEDICAL SERVICES LIMITED
Sd/-
Dr.G.V.MOHAN PRASAD
MANAGING DIRECTOR

ANNEXURE TO NOTICE OF ANNUAL GENERAL MEETING

Explanatory Statements (Under Section 173(2) of the Companies Act, 1956).

Item No.4

The appointment of Dr.G.V.Mohan Prasad as Managing Director made in the Annual General Meeting held on 25.09.1998 expires on 10.09.2003. As per the provisions of Sections 198, 309, 310 and Schedule XIII of the Companies Act, 1956, the appointment of Managing Director and provision for Remuneration has to be approved by the Share Holders in their General Meeting. Keeping in view the valuable services and developmental activities undertaken by Dr.G.V.Mohan Prasad during the last five years, the Board of Directors recommends for re-appointment of him for another period of 5 years. Hence the proposed resolution.

The Special Resolution as setout in item No.4 is recommended for your approval.

None of the Directors except Dr.G.V. Mohan Prasad are interested in this Resolution.

The above may be treated as the disclosure required under Section 302 of the Companies Act, 1956.

Item No.5

The appointment of Dr.M. Laskhmi Sudha as Executive Director made in the Annual General Meeting held on 25.09.1998 expires on 10.09.2003. As per the provisions of Sections 198, 309, 310 and Schedule XIII of the Companies Act, 1956, the appointment of Executive Director and provision for Remuneration has to be approved by the Share Holders in their General Meeting. Keeping in view the valuable services and developmental activities undertaken by Dr.M.Laskhmi Sudha during the last five years, the Board of Directors recommends for re-appointment of her for another period of 5 years. Hence the proposed resolution.

The Special Resolution as setout in item No.5 is recommended for your approval.

None of the Directors except Dr.M. Lakshmi Sudha are interested in this Resolution.

The above may be treated as the disclosure required under Section 302 of the Companies Act, 1956.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in submitting the Eleventh Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2003.

OPERATIONS :

The Operating results for the year under review are as follows:

(Rs. in Lakhs)

Particulars	2002-2003	2001-2002
GROSS RECEIPTS	157.76	113.12
Profit before Interest, Depreciation & Tax	51.12	(17.18)
Interest & Finance Charges	3.21	10.72
Depreciation	30.72	30.70
Public & Prel.exps. written off	7.09	7.09
Profit/(Loss) After Tax	9.30	(65.69)

During the year the Company has received Gross Receipts of Rs.157.76 resulting to a Gross Profit of Rs.51.12 Lakhs. Since there are frequent and heavy breakdowns of CT Scan Equipment and general increase in competition, there is fall in the Revenue on account of CT Scan services and no profit was received from CT Scan services. In view of the effective steps your management has taken in marketing the services, the growth in gross collection (due to services other than CT Scan) is encouraging. And further due to the good monsoon conditions at present, we expect the revival of the economy and spending power of the people, which helps your Company in attaining good results in the ensuing year also.

Even though the income received from CT Scan Services is lower than the expected and incurs heavy expenditure on breakdown of the equipment, your company is continuing the free services to the required poor and needy patients as a matter of social concern and also obligation to the Government of India.

DIRECTORS:

The Managing Director Dr.G.V.Mohan Prasad and the Executive Director Dr.M.Lakshmi Sudha were appointed for another 5 years.

AUDITORS :

M/s.PINNAMANENI & CO., Chartered Accountants, Auditors of the Company retire at this Annual General Meeting and being eligible, offer themselves for reappointment.

CORPORATE GOVERNANCE:

Your company has complied with the provision of Clause 49 of the listing agreement relating to Corporate Governance and belief that the initiatives on Corporate Governance will assist the management in the efficient conduct of the Business and in meeting this obligation to all its shareholders. A detailed report is attached.

EMPLOYEES :

It is to report that U/S 217 (2A) of the Companies Act, 1956 that there are no employees drawing salary of Rs.1,00,000/- or more per month or Rs.12,00,000/- or more per year or part thereof. Your directors also place on record their deep sense of appreciation of the services of the staff of the company, who have contributed for the administration of the company's affairs.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant Section 217(2AA) of the Act, your Directors confirm the following:

- that in the preparation of the Annual Accounts for the year ended 31 March, 2003, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- that the Directors have selected such accounting policies and applied them consistently and made judgements 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 or loss of the company for that period.
- that the Directors 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.
- that the Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS :

Your directors wish to express their sincere thanks to The Federal Bank Limited, and the APSFC for their support and encouragement.

Place : Vijayawada
Date : 31.07.2003

FOR AND ON BEHALF OF THE BOARD
for DOLPHIN MEDICAL SERVICES LIMITED
Sd/-
Dr.G.V.MOHAN PRASAD
MANAGING DIRECTOR