

**MANAPPURAM HEALTH CARE LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED**

**31<sup>ST</sup> MARCH 2014**

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*Our Ref.*

## **MOHANDAS & ASSOCIATES**

**CHARTERED ACCOUNTANTS**

Door No. TC - XXIX/567

Paliyam Road, Thrissur - 1.

☎ : 0487 - 2333124, 2330841.

Email : ma.auditors@gmail.com

### **INDEPENDENT AUDITOR'S REPORT**

To the Members of

**Manappuram Health Care Limited**  
Door No.V/537,  
High School Junction,  
Valapad .

#### **Report On The Financial Statements**

We have audited the accompanying financial statements of **Manappuram Health Care Limited**, which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year the ended, and a summary of significant accounting policies and other explanatory information.

#### **Management Responsibility For The Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under Companies Act, 1956 read with General Circular 8/2014 dated 4<sup>th</sup> April 2014, issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control 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.

#### **Auditors Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.



**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 31<sup>st</sup> March, 2014;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report On Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on 31<sup>st</sup> March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For Mohandas & Associates**

**Chartered Accountants**

**FRN: 02116S**

**Mohandas A  
(Partner)**

**Membership No. : 036726**

**Place: Thrissur**

**Date: 6<sup>th</sup> September 2014**



The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Manappuram Health Care Limited on the accounts of the company for the year ended 31<sup>st</sup> March, 2014.

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:

- i)
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) All the fixed assets have been physically verified by the management and no material discrepancies have been noticed on such verification. In our opinion, frequency of verification is reasonable having regard to the size of the Company and the nature of business.
  - c) In our opinion and according to the information and explanation given to us, the Company has not disposed off any major part of fixed assets during the year so as to affect going concern status of the Company.
- ii)
  - a) In our opinion, the Company has conducted physical verification of inventory during the year at reasonable intervals.
  - b) In our opinion and according to the information and explanation given to us, the procedure for physical verification of inventory followed by the Company are reasonable and adequate having regard to the size of the Company and nature of its business.
  - c) The Company has maintained proper records of inventory giving full particulars of purchases, issues and closing stock. In our opinion the discrepancies noticed on verification between physical stock and stock ledger are not material.
- iii)
  - a) In our opinion and according to the information and explanations given to us and as per verification done by us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956 except loan given to Macare Dental Care Private Limited. The maximum amount involved during the year was ₹.67,82,345.94 and the year end balance of loans granted was ₹. 7,43,379.94.
  - b) In our opinion, the rate of interest and other terms and conditions for such loans given are not *prima facie* prejudicial to the interest of the Company.



- c) The party is regular in repayment of the principal and interest amount as stipulated.
- d) There is no overdue amount in excess of ₹ one lakh in respect of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- e) In our opinion and according to the information and explanations given to us and as per verification done by us, the Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 except a temporary loan taken from Shri.P.D.Prasannan, Director of the Company. The maximum amount involved during the year was ₹ 3,00,000/- and the year end balance of loans granted was Nil.
- f) In our opinion, the rate of interest and other terms and conditions for such loans taken are not *prima facie* prejudicial to the interest of the Company.
- g) The Company is regular in repayment of the principal and interest amount as stipulated.
- iv) 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 with regard to purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company in respect of these areas.
- v) a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that are needed to be entered in the register maintained under section 301 have been so entered and
- b) That the transactions made in pursuance of such contracts or arrangements have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit from public. Therefore the directives issued by the Reserve Bank of India and the provision of section 58A and 58AA or any other relevant provisions of the companies Act, 1956 and the Rules framed there under are not applicable to the Company. According to the information and explanations given to us, the Company has not received any order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
- vii) In our opinion and according to the explanation given to us, the Company has an internal audit system commensurate with the size and nature of the business.



- viii) In our opinion and according to the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any products of the Company.
- ix) a) According to the information and explanations given to us and on the basis of records produced before us for verification, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues wherever applicable to it.
- b) According to the information and explanation given to us there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- x) The Company has accumulated losses amounting to ₹ 17,43,18,559.81 at the end of the financial year which is greater than 50% of its networth and it has incurred cash losses amounting to ₹ 2,93,24,329.92 in the current year and ₹ 4,09,67,997.44 in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions or banks. The company has not issued any debentures. Therefore the provisions of Clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xii) In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore the provisions of Clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiii) In our opinion the Company is not a chit fund or a Nidhi /Mutual Benefit Fund /society. Therefore the provisions of clause 4(xiii) of the companies (Audit Report) Order, 2003(as amended) are not applicable to the Company.
- xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Audit Report) Order, 2003 (as amended) are not applicable to the Company.
- xv) In our opinion and as per the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xvi) According to the information and explanations given to us, the Company has not availed any term loans during the year.



- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956 except allotment of 50,62,100 shares of ₹10 each to Shri.V.P.Nandakumar, Director of the Company. In our opinion, the price at which shares are issued is not prima facie prejudicial to the interest of the Company.
- xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures.
- xx) The Company has not made any public issues during the year. Accordingly the provisions of clause 4(xx) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**For Mohandas & Associates**

**Chartered Accountants**

**FRN: 02116S**

**Mohandas A**

**(Partner)**

**Membership No. : 036726**

**Place: Thrissur**

**Date: 6<sup>th</sup> September 2014**





**Manappuram Health Care Limited**  
Balance Sheet as at 31-March-2014

		All amounts in Indian Rupees	
Equity and liabilities	Notes	31-Mar-14	31-Mar-13
<b>Shareholders' funds</b>			
Share capital	3	20,90,35,400.00	15,84,14,400.00
Reserves and surplus	4	(17,43,18,559.81)	(13,24,00,694.42)
		<b>3,47,16,840.19</b>	<b>2,60,13,705.58</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	1,76,92,160.00	2,23,07,600.00
Other long term liabilities		-	-
		<b>1,76,92,160.00</b>	<b>2,23,07,600.00</b>
<b>Current liabilities</b>			
Shor-term borrowings	6	2,90,79,054.31	3,06,95,128.31
Other current liabilities	7	1,23,80,605.48	1,86,93,844.40
Short-term provisions	8	45,606.75	13,570.00
		<b>4,15,05,266.54</b>	<b>4,94,02,542.71</b>
<b>TOTAL</b>		<b>9,39,14,266.73</b>	<b>9,77,23,848.29</b>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
<b>Tangible assets</b>			
Tangible assets	9	7,29,21,473.75	7,66,76,331.58
Intangible Assets	10	2,47,551.76	1,82,179.60
Capital work in progress		-	-
<b>Non-current investments</b>			
Deferred tax assets (net)	11	17,21,063.00	10,69,035.00
Long-term loans and advances	12	92,48,701.00	59,97,934.00
Other Non current assets	13	-	-
		<b>8,41,38,789.51</b>	<b>8,39,25,480.18</b>
<b>Current assets</b>			
<b>Current investments</b>			
Cash and bank balances	14	4,16,729.09	4,86,568.11
Short-term loans and advances	12	11,96,425.94	69,42,278.94
Other current assets	13	81,62,322.19	63,69,521.06
		<b>97,75,477.22</b>	<b>1,37,98,368.11</b>
<b>Total</b>		<b>9,39,14,266.73</b>	<b>9,77,23,848.29</b>

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For Mohandas & Associates**

Firm registration number: 02116S

Chartered Accountants

Mohandas A

Partner

Membership no: 036726

Place: Thrissur

Date: 6<sup>th</sup> September, 2014

For and on behalf of the board of directors of  
[Manappuram Health Care Limited]

*Dr.P.D.Prasannan*  
Mahaging Director

*Dr.K G Ravi*  
Director

*V.P.Nandakumar*  
Director

*Rameshan K*  
Chief Executive Officer

*Ajith Thomas*  
Chief Financial Officer

# Manappuram Health Care Limited

Statement of profit and loss for the year ended 31-March-2014

All amounts are in Indian Rupees

Continuing operations	Notes	31-Mar-14	31-Mar-13
<b>Income</b>			
Revenue from operations	15	5,86,78,158.25	3,01,68,756.42
Other income	16	6,66,931.03	5,68,020.27
<b>Total revenue (I)</b>		<b>5,93,45,089.28</b>	<b>3,07,36,776.69</b>
<b>Expenses</b>			
Purchase of Traded goods	17	1,28,73,589.38	83,34,535.29
Changes in inventories of finished goods, work-in-progress and stock-in-trade	18	50,231.85	(10,03,637.44)
Employee benefits expense	19	2,33,83,828.51	2,19,43,288.72
Other expenses	20	4,48,72,584.68	3,46,26,535.19
Depreciation and amortization expense	21	1,32,45,563.47	1,51,38,480.87
Finance costs	22	74,89,184.78	78,04,052.37
<b>Total Expenses (II)</b>		<b>10,19,14,982.67</b>	<b>8,68,43,255.00</b>
<b>Profit/(loss) before tax (I) - (II)</b>		<b>(4,25,69,893.39)</b>	<b>(5,61,06,478.31)</b>
<b>Tax expenses</b>			
Current tax		-	-
Deferred tax		(6,52,028.00)	(10,73,750.00)
<b>Total tax expense (III)</b>		<b>(6,52,028.00)</b>	<b>(10,73,750.00)</b>
<b>Profit/(loss) for the year (IV)</b>		<b>(4,19,17,865.39)</b>	<b>(5,50,32,728.31)</b>
<b>Earnings per equity share [nominal value of share ₹.10 [31 March 2013: ₹.10]</b>			
<b>(Basic and Diluted)</b>	23	<b>(2.63)</b>	<b>(5.10)</b>

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Mohandas & Associates

Firm registration number: 02116S

Chartered Accountants

Mohandas A

Partner

Membership no.: 036726

Place: Thrissur

Date: 6th September, 2014

For and on behalf of the board of directors of  
[Manappuram Health Care Limited]

Dr.P.D.Prasannan  
Managing Director

Dr.K G Ravi  
Director

V.P.Nandakumar  
Director

Rameshan K  
Chief Executive Officer

Ajith Thomas  
Chief Financial Officer

## Manappuram Health Care Limited

### Notes to the financial statements for the year ended 31-March-2014

#### 1 COMPANY PROFILE

MAcare is an ambitious and revolutionary initiative towards making the world around us a healthier place. Manappuram Health Care Limited - a venture launched by the promoters of the Manappuram Group is an initiative to make affordable health care services a reality by making it accessible to the common man. The company's vision of making diagnosis affordable while constantly endeavoring to maintain the highest possible standards of quality and hygiene have been well received and within a short span of time MAcare has become a name to reckon with. Even though the company was incorporated in 2006, active operations were commenced only in 2010. To date the company has opened 15 Micro Labs and Two Major labs in the districts of Thrissur and Ernakulam respectively. Having made its presence felt in the coastal belt of Thrissur District, the company aims at spreading its operations to other districts and bordering states as well. The operations of the company are focused on four major verticals viz., medical diagnostic laboratories, medical shops, medical imaging and medical consultation.

#### 2 SIGNIFICANT ACCOUNTING POLICIES

*Significant Accounting Policies adopted in the Preparation and Presentation of Financial Statements are as under:-*

##### a. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, as (amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under historical cost convention and on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

##### b. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the managements's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amounts of assets or liabilities in future periods.

Apilth  
CFO

AO  
CFO

SHANMUGAS & ASSOCIATE

San

Secunder

## Manappuram Health Care Limited

Notes to the financial statements for the year ended 31-March-2014

### c FIXED ASSETS

The Fixed Assets are stated at cost less accumulated depreciation and impairment losses if any. The cost comprises of the purchase price, borrowing costs if capitalisation criteria are met and any cost directly attributable to bringing the asset to its working condition for its intended use.

### d DEPRECIATION

Depreciation on Fixed Assets has been provided on Written Down Value method at the rates prescribed in Schedule XIV to the Companies Act, 1956.

### e INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised on a straight line basis over the estimated useful economic life of 5 years.

The amortisation period and amortisation method are reviewed at least at each financial year end.

### f IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### g INVESTMENTS

The company does not hold any investments during the year.

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## Manappuram Health Care Limited

### Notes to the financial statements for the year ended 31-March-2014

#### **h REVENUES**

Revenues are recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

#### **i EMPLOYEE BENEFITS**

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of Profit and Loss of the year when the contributions to the fund maintained by the Central Government is due. There is no other obligation other than the contribution payable to the trust.

Gratuity payable under the Payment of Gratuity Act which is a defined benefit scheme is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Short term compensated absences are provided for based on estimates.

Actuarial gains/losses are immediately taken to Statement of profit and loss and are not deferred.

#### **j BORROWING COST**

Borrowing costs directly attributable to the acquisition, construction or production of an asset necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

#### **k INCOME TAX**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balancesheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balancesheet date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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## Manappuram Health Care Limited

Notes to the financial statements for the year ended 31-March-2014

### **l EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity share holders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a right issue to existing share holders; share split; and reverse share split, if any.

### **m PROVISIONS**

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balancesheet date. These are reviewed at each balancesheet date and adjusted to reflect the current management estimates.

### **n CASH AND CASH EQUIVALENTS**

Cash and cash equivalents in the balancesheet comprise cash in hand, cash at bank and deposits having a maturity of less than 3 months.

### **o CONTINGENT LIABILITIES**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that can not be recognised because it can not be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements as there is no indication of the uncertainties relating to any outflow.

### **p INVENTORIES**

Inventories are valued at cost. The cost includes all items incurred to bring the items to its present location. The supplies are consumed in the rendering of services. Obsolete items are removed from the stock and written off.

### **q LEASE**

All operating leases entered into by company are cancellable on giving notice of shorter duration.

### **r SEGMENT REPORTING**

The company operates only a single segment of business. Hence there is no reportable segments to be disclosed under AS17-Segment Reporting.

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# Manappuram Health Care Limited

## Notes to financial statements for the year ended 31-March-2014


All amounts are in Indian Rupees

3 Share capital	31-Mar-14	31-Mar-13
<b>Authorized shares</b>		
2,20,00,000 (31 March 2013: 1,75,00,000) equity shares of ₹ 10/- each	22,00,00,000.00	17,50,00,000.00
<b>Issued, subscribed and fully paid-up shares</b>		
2,09,03,540 (31 March 2013: 1,58,41,440) equity shares of ₹ 10/- each	20,90,35,400.00	15,84,14,400.00
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>20,90,35,400.00</b>	<b>15,84,14,400.00</b>
<b>Total</b>		

### a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	31-Mar-14		31-Mar-13	
	Number	Amount	Number	Amount
<b>Equity shares with voting rights</b>				
Opening Balance	1,58,41,440	15,84,14,400.00	1,07,28,000	10,72,80,000.00
Fresh Issue	50,62,100	5,06,21,000.00	51,13,440	5,11,34,400.00
Closing Balance	<b>2,09,03,540.00</b>	<b>20,90,35,400.00</b>	<b>1,58,41,440.00</b>	<b>15,84,14,400.00</b>




## Manappuram Health Care Limited

### Notes to financial statements for the year ended 31-March-2014

All amounts are in Indian Rupees

#### b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### c. Details of shareholders holding more than 5% shares in the company

Equity shares of ₹.10 each fully paid	31-Mar-14		31-Mar-13	
	Number	% holding in the class	Number	% holding in the class
Nandakumar V P	2,08,54,040	99.76	1,57,91,940	99.69

As per records of the Company, including its Register of share holders/members and other declarations received from share holders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

#### 4 Reserves and surplus

	31-Mar-14	31-Mar-13
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per last financial statements		(7,73,67,966.11)
Profit for the year	(13,24,00,694.42)	(5,50,32,728.31)
Less: Appropriations	(4,19,17,865.39)	-
<b>Net surplus in the statement of profit and loss</b>	<b>(17,43,18,559.81)</b>	<b>(13,24,00,694.42)</b>
<b>Total reserves and surplus</b>	<b>(17,43,18,559.81)</b>	<b>(13,24,00,694.42)</b>





**Manappuram Health Care Limited**  
**Notes to financial statements for the year ended 31-March-2014**

**NOTE 5**

**Long-term borrowings**

All amounts are in Indian Rupees

	Non-current portion		Current maturities	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Term Loan from South Indian Bank(Refer note below)	1,76,92,160.00	2,23,07,600.00	46,15,440.00	46,15,440.00
<b>The above amount includes</b>	<b>1,76,92,160.00</b>	<b>2,23,07,600.00</b>	<b>46,15,440.00</b>	<b>46,15,440.00</b>
Secured borrowings	1,76,92,160.00	2,23,07,600.00	46,15,440.00	46,15,440.00
Unsecured borrowings			(46,15,440.00)	(46,15,440.00)
Amount disclosed under the head "other current liabilities" (note 7)				
<b>Net amount Total ₹</b>	<b>1,76,92,160.00</b>	<b>2,23,07,600.00</b>	<b>-</b>	<b>-</b>

**Details of secured loan**

Bank	Rate of interest	Primary security	Collateral security
South Indian Bank	Base Rate + 6.45% (presently 13.50% floating)	Hypothication of assets valued at ₹ 467 lakhs including laboratory equipments, imaging equipments, generator, micro biological equipments, X-ray machines, automated chemistry analyser, dentistry instruments, Cr machine, UPS, Dental chair, materials used for carrying out interior and electrical work with margin of 25% for purchase of machinery 50% for interior and electrical work.	EM of 3 items of property valued at ₹ 355.77 lakhs








**Manappuram Health Care Limited**  
**Notes to financial statements for the year ended 31-March-2014**

All amounts are in Indian Rupees

**NOTE 6**

Short-term borrowings		31-Mar-14	31-Mar-13
OverDraft from South Indian Bank (secured)(Refer note below)			
Loan from Director(Unsecured)(Refer Note 24)			
<b>Total ₹</b>			
The above amount includes			
Secured borrowings		2,90,79,054.31	3,06,95,128.31
Unsecured borrowings		2,90,79,054.31	3,06,95,128.31
		<b>2,90,79,054.31</b>	<b>3,06,95,128.31</b>

**Details of secured loan**

Bank	Rate of interest	Primary security	Collateral security
South Indian Bank	Base Rate + 6.70% (presently 13.50%)	Hypothecation of available stock.	EM of 3 items of property valued at ₹ 355.77 lakhs



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## Manappuram Health Care Limited

### Notes to financial statements for the year ended 31-March-2014

All amounts are in Indian Rupees

7 Other current liabilities	31-Mar-14	31-Mar-13
Current maturities of long-term borrowings (note 5)		
Trade payables	46,15,440.00	46,15,440.00
Statutory Due Payable	20,88,737.19	29,65,183.66
Payable for employees	4,56,012.64	6,95,460.00
Payable for expenses	22,40,507.00	21,21,006.45
Payable for fixed assets	17,41,270.00	52,50,058.51
Audit Fee Payable	85,354.00	4,75,923.49
Retention	1,02,360.00	1,01,124.00
Staff Account	6,95,796.00	21,28,614.00
Staff welfare fund	3,04,194.85	3,04,775.49
	50,933.80	36,258.80
<b>Total ₹</b>	<b>1,23,80,605.48</b>	<b>1,86,93,844.40</b>

Liability towards Investor Education and Protection Fund under section 205C of the Companies Act, 1956 towards unpaid dividends and unpaid matured deposits and interest on matured deposits

NIL

NIL

There are no Micro and Small Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March 2014 and 31 March 2013. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available within the Company.

8 Short Term Provisions	31-Mar-14	31-Mar-13
Short recovery from resigned staff a/c	45,606.75	13,570.00
	<b>45,606.75</b>	<b>13,570.00</b>

# Manappuram Health Care Limited

Notes to financial statements for the year ended 31-March-2014

All amounts are in Indian Rupees

9 Tangible assets	Buildings	Plant and equipment	Furniture and fixtures	Computer and accessories	Vehicle	Total
<b>Cost or valuation</b>						
At 1 April 2012	12,43,099.00	4,46,46,727.87	4,85,41,485.92	24,52,442.92	4,01,651.00	9,72,85,406.71
Additions	-	34,10,843.02	20,01,121.50	7,90,612.01	-	62,02,576.53
Disposals	-	16,65,124.00	18,54,550.60	32,800.00	-	35,52,474.60
<b>At 31 March 2013</b>	<b>12,43,099.00</b>	<b>4,63,92,446.89</b>	<b>4,86,88,056.82</b>	<b>32,10,254.93</b>	<b>4,01,651.00</b>	<b>9,99,35,508.64</b>
Additions	-	11,65,227.00	82,29,399.00	1,19,642.00	1,55,000.00	96,69,268.00
Disposals	-	3,53,600.00	1,159.00	-	-	3,54,759.00
<b>At 31 March 2014</b>	<b>12,43,099.00</b>	<b>4,72,04,073.89</b>	<b>5,69,16,296.82</b>	<b>33,29,896.93</b>	<b>5,56,651.00</b>	<b>10,92,50,017.64</b>
<b>Depreciation</b>						
At 1 April 2012	76,611.51	37,20,731.28	47,99,735.69	6,36,087.86	284.90	92,33,451.25
Charge for the year	58,324.37	58,97,754.05	80,96,316.53	9,27,914.83	1,03,913.68	1,50,84,223.47
Disposals	-	4,89,387.95	5,47,561.83	21,547.88	-	10,58,497.66
<b>At 31 March 2013</b>	<b>1,34,935.88</b>	<b>91,29,097.38</b>	<b>1,23,48,490.39</b>	<b>15,42,454.82</b>	<b>1,04,198.58</b>	<b>2,32,59,177.06</b>
Charge for the year	55,408.16	53,06,959.87	70,03,016.72	6,98,444.01	97,569.93	1,31,61,398.68
Disposals	-	90,872.85	1,159.00	-	-	92,031.85
<b>At 31 March 2014</b>	<b>1,90,344.04</b>	<b>1,43,45,184.40</b>	<b>1,93,50,348.11</b>	<b>22,40,898.83</b>	<b>2,01,768.51</b>	<b>3,63,28,543.89</b>
<b>Net Block</b>						
At 31 March 2013	11,08,163.12	3,72,63,349.51	3,63,39,566.43	16,67,800.11	2,97,452.42	7,66,76,331.58
At 31 March 2014	10,52,754.96	3,28,58,889.49	3,75,65,948.71	10,88,998.10	3,54,882.49	7,29,21,473.75



 CFO  
 Director  
 Manager

**Manappuram Health Care Limited****Notes to financial statements for the year ended 31-March-2014**

All amounts are in Indian Rupees

10 Intangible assets	Computer software	Total
<b>Gross block</b>		
At 1 April 2012	1,74,250.00	1,74,250.00
Purchase	97,037.00	97,037.00
<b>At 31 March 2013</b>	<b>2,71,287.00</b>	<b>2,71,287.00</b>
Purchase	1,49,536.95	1,49,536.95
<b>At 31 March 2014</b>	<b>4,20,823.95</b>	<b>4,20,823.95</b>
<b>Amortization</b>		
At 1 April 2012	34,850.00	34,850.00
Charge for the year	54,257.40	54,257.40
<b>At 31 March 2013</b>	<b>89,107.40</b>	<b>89,107.40</b>
Charge for the year	84,164.79	84,164.79
<b>At 31 March 2014</b>	<b>1,73,272.19</b>	<b>1,73,272.19</b>
<b>Net block</b>		
At 31 March 2013	1,82,179.60	1,82,179.60
At 31 March 2014	2,47,551.76	2,47,551.76

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**Manappuram Health Care Limited**

**Notes to financial statements for the year ended 31-March-2014**

All amounts are in Indian Rupees

	31-Mar-14	31-Mar-13
<b>11 Deferred tax assets (net)</b>		
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting period.	-	-
Others	-	-
<b>Gross deferred tax liability</b>		
<b>Deferred tax asset as on 31.03.2013</b>	10,69,035.00	-
<b>Deferred tax asset</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	6,82,441.00	9,18,043.00
Others		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	76,007.00	1,50,992.00
Impact of expenditure charged to the statement of profit and loss in the previous year and allowed for tax purposes on payment basis in the current year	(1,06,420.00)	
Provision for diminution in the value of investments		
Others		
<b>Gross deferred tax asset</b>	17,21,063.00	10,69,035.00
<b>Net deferred tax asset</b>	17,21,063.00	10,69,035.00
<b>Total</b>		

Note:- Since there is no reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realised, no deferred tax asset is recognised on accumulated losses.



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**Manappuram Health Care Limited**

**Notes to financial statements for the year ended 31-March-2014**

All amounts are in Indian Rupees

	Non-current		Current	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
<b>12 Loans and Advances</b>				
Advances recoverable in cash or kind Unsecured, considered good				
Loan to Macare Dentalcare Pvt Ltd			7,43,379.94	23,69,345.94
<b>Deposits</b>			7,43,379.94	23,69,345.94
Rent and Electricity deposits	69,83,202.00	59,37,934.00		
Telephone Deposit	5,499.00	-		
National Saving Certificates (Pledged with Sales Tax Authorities)	60,000.00	60,000.00		
Security Deposit with MACOM	22,00,000.00			
	<b>92,48,701.00</b>	<b>59,97,934.00</b>		
VAT and other taxes recoverable, from Government of Kerala			63,046.00	31,391.00
Capital advances (Unsecured, considered good)			3,90,000.00	45,41,542.00
<b>Total</b>	<b>92,48,701.00</b>	<b>59,97,934.00</b>	<b>11,96,425.94</b>	<b>69,42,278.94</b>



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**Manappuram Health Care Limited**  
**Notes to financial statements for the year ended 31-March-2014**

All amounts are in Indian Rupees

13	Other assets	Non-current		Current	
		31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
	Closing Stock	-	-	25,66,465.00	26,16,696.85
	-Finished goods	-	-	23,92,070.00	24,69,350.00
	-Consumables	-	-	-	-
	Trade Receivable outstanding for a period exceeding six months from the date they are due for payment.	-	-	14,829.00	-
	Other Trade Receivables	-	-	30,45,548.20	12,54,645.24
	Interest accrued on National Saving Certificate	-	-	15,475.97	9,779.97
	Tax Deducted at Source	-	-	1,04,904.00	19,049.00
	Prepaid Expense	-	-	23,030.02	-
	<b>Total</b>	-	-	<b>81,62,322.19</b>	<b>63,69,521.06</b>

14	Cash and bank balances	Non-current		Current	
		31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
	Cash and cash equivalents	-	-	1,52,714.71	1,63,338.77
	Cash in hand	-	-	-	-
	Balances with banks:	-	-	2,64,014.38	3,23,229.34
	On current accounts	-	-	-	-
	Deposit with original maturity of less than 3 months	-	-	-	-
	Other Bank Balances	-	-	-	-
	Deposit with original maturity of more than 3 months but less than 12 months	-	-	-	-
	Deposit with original maturity of more than 12 months	-	-	-	-
	<b>Total</b>	-	-	<b>4,16,729.09</b>	<b>4,86,568.11</b>





# Manappuram Health Care Limited

Notes to the financial statements for the year ended 31-March-2014

All amounts are in Indian Rupees

15	Revenue from operations	31-Mar-14	31-Mar-13
	<b>Revenue from sales</b>		
	Medicines and other allied products	1,44,15,643.98	77,81,957.85
	OTC Products	17,49,172.28	13,75,322.63
		<b>1,61,64,816.26</b>	<b>91,57,280.48</b>
	<b>Less:Returns</b>		
	Medicines and other allied products	2,37,837.05	1,59,220.97
	OTC Products	40,068.37	30,147.67
	Other deductions	1,54,177.00	-
	<b>Net Sales Total (A)</b>	<b>1,57,32,733.84</b>	<b>89,67,911.84</b>
	<b>Revenue from services</b>		
	Consultation charges received	21,08,830.00	13,77,180.00
	Registration fees	81,230.00	54,530.00
	Treatment charges	55,490.00	16,364.00
	Lab income	4,06,12,438.00	1,83,03,197.00
	Dental Income Received	-	13,07,520.00
	<b>Total (B)</b>	<b>4,28,57,988.00</b>	<b>2,10,58,791.00</b>

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# Manappuram Health Care Limited

Notes to the financial statements for the year ended 31-March-2014

All amounts are in Indian Rupees

15	Revenue from operations (Contd..)	31-Mar-14	31-Mar-13
	Other operating revenue		
	Discount Received	87,436.41	1,42,053.58
	<b>Total (C)</b>	<b>87,436.41</b>	<b>1,42,053.58</b>
	Revenue from operations (A+B+C)	<b>5,86,78,158.25</b>	<b>3,01,68,756.42</b>
16	Other income	31-Mar-14	31-Mar-13
	Interest on National Savings Certificate	5,696.00	5,266.54
	Interest on Fixed Deposit	-	622.00
	Interest on loan to Macare Dental Care Pvt Ltd.	4,29,666.00	54,780.00
	Rent received from Macare Dental Care Pvt Ltd	1,20,000.00	1,00,000.00
	Profit on sale of assets	-	1,57,654.22
	Other non-operating income	1,11,569.03	2,49,697.51
	<b>Total</b>	<b>6,66,931.03</b>	<b>568020.27</b>

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# Manappuram Health Care Limited

Notes to the financial statements for the year ended 31-March-2014

All amounts are in Indian Rupees

17 Purchase of Traded Goods		31-Mar-14	31-Mar-13
Purchase :-			
Medicines and other allied products		1,19,68,329.66	75,08,076.41
OTC Products		15,79,907.21	12,89,289.91
		<b>1,35,48,236.87</b>	<b>87,97,366.32</b>
Less Purchase returns :-			
Medicines and other allied products		4,59,365.45	3,29,700.78
OTC Products		18,149.34	8,661.09
		<b>4,77,514.79</b>	<b>3,38,361.87</b>
Less:Consumption for own use:-			
Medicines and other allied products		1,49,609.42	82,048.53
OTC Products		47,523.28	42,420.63
		<b>1,97,132.70</b>	<b>1,24,469.16</b>
Net Purchase:-			
Medicines and other allied products		1,13,59,354.79	70,96,327.10
OTC Products		15,14,234.59	12,38,208.19
		<b>1,28,73,589.38</b>	<b>83,34,535.29</b>
<b>Total</b>			
		<b>1,28,73,589.38</b>	<b>83,34,535.29</b>
18 Changes in inventories of finished goods, work-in-progress and stock-in-trade		31-Mar-14	31-Mar-13
Inventories at the end of the year			
-Finished Goods		25,66,465.00	26,16,696.85
(A)		<b>25,66,465.00</b>	<b>26,16,696.85</b>
Inventories at the beginning of the year			
-Finished Goods		26,16,696.85	16,13,059.41
(B)		<b>26,16,696.85</b>	<b>16,13,059.41</b>
Net( Increase)/Decrease-(A-B)		<b>50,231.85</b>	<b>(10,03,637.44)</b>

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## Manappuram Health Care Limited

### Notes to the financial statements for the year ended 31-March-2014

All amounts are in Indian Rupees

19	Employee benefit expense	31-Mar-14	31-Mar-13
	Salaries, wages and bonus	2,22,85,363.51	2,03,01,261.72
	Contribution to provident and other fund	9,99,238.00	11,69,633.00
	Gratuity expense	15,539.00	3,93,769.00
	EDLI	50,000.00	20,000.00
	Staff welfare expenses	33,688.00	14,325.00
	Staff recruitment and training	-	44,300.00
	<b>Total</b>	<b>2,33,83,828.51</b>	<b>2,19,43,288.72</b>

20	Other expenses	31-Mar-14	31-Mar-13
	Advertising and sales promotion	13,39,497.00	23,95,216.00
	Commission	9,63,436.00	8,50,367.00
	Consultation Charges	52,78,517.00	33,16,068.00
	Consumables	98,19,972.89	76,65,213.19
	Discount	56,73,699.81	16,82,547.74
	Electricity Charges	29,75,525.00	22,61,028.00
	Fuel Expenses	4,30,974.00	13,63,356.00
	Inaugural Expenses	24,863.00	44,397.50
	Insurance	51,122.98	82,543.00

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**Manappuram Health Care Limited**  
**Notes to the financial statements for the year ended 31-March-2014**

All amounts are in Indian Rupees

20 Other expenses(Contd.,)	31-Mar-14	31-Mar-13
IT Support cost	30,33,715.00	30,01,352.00
Legal Charges	-	17,250.00
Loss on sale of assets	1,97,327.15	2,94,912.17
Medical Camp Expenses	1,24,208.00	20,206.00
Meeting Expenses	8,703.00	15,055.00
Membership and Subscription	21,048.00	54,604.00
Office Expenses	4,50,788.00	3,98,100.00
Outside lab charges	5,79,212.00	57,095.00
Payment to auditor (Refer details below)	1,29,214.00	1,12,360.00
Postage	15,676.00	7,337.00
Printing and stationery	10,50,762.00	7,07,417.50
Provision for bad and doubtful debts	32,036.75	13,570.00
Rent	47,08,456.00	56,93,578.00
Repairs and maintenance	32,34,609.00	12,02,699.00
Security charges	2,05,542.29	2,28,176.22
Sitting fees to Directors	1,10,000.00	15,000.00
Stipend to trainees	1,10,317.00	24,000.00
Tax and fees	3,30,655.81	4,07,649.00
Telephone Expenses	10,68,876.00	7,96,701.37
Travelling and conveyance	29,03,831.00	18,98,736.50
<b>Total</b>	<b>4,48,72,584.68</b>	<b>3,46,26,535.19</b>

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**Manappuram Health Care Limited**  
**Notes to the financial statements for the year ended 31-March-2014**

All amounts are in Indian Rupees

20 Other expenses(Contd..)	31-Mar-14	31-Mar-13
<b>Payment to auditor</b>		
<b>As auditor:</b>		
Audit fee		78,652.00
Tax audit fee	1,12,360.00	33,708.00
Sales Tax Audit Fee	-	-
<b>In other capacity:</b>		
Taxation matters	16,854.00	-
Company law matters	-	-
Management services	-	-
Other services (certification fees)	-	-
Reimbursement of expenses	-	-
<b>Total</b>	<b>1,29,214.00</b>	<b>1,12,360.00</b>


21	31-Mar-14	31-Mar-13
<b>Depreciation and amortization expense</b>		
Depreciation of tangible assets	1,31,61,398.68	1,50,84,223.47
Amortization of intangible assets	84,164.79	54,257.40
Less: recoupment from revaluation reserve	1,32,45,563.47	1,51,38,480.87
<b>Total</b>	<b>1,32,45,563.47</b>	<b>1,51,38,480.87</b>

 CFO  
 Auditor  


**Manappuram Health Care Limited**  
**Notes to the financial statements for the year ended 31-March-2014**

All amounts are in Indian Rupees

22	Finance costs	31-Mar-14	31-Mar-13
	Interest		
	- on Borrowings	74,11,628.00	77,52,674.00
	- on Trade Payables	10,823.00	7,511.00
	- on delayed / deferred payment of income tax	3,730.00	1,234.00
	Bank Charges	63,003.78	42,633.37
	<b>Total</b>	<b>74,89,184.78</b>	<b>78,04,052.37</b>

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**Manappuram Health Care Limited**

Notes to the financial statements for the year ended 31-March-2014

		All amounts are in Indian Rupees	
23	Earnings per share (EPS)	31-Mar-14	31-Mar-13
	The following reflects the profit and share data used in the basic and diluted EPS computations:		
	<b>Total operations for the year</b>		
	Profit/(loss) after tax	(4,19,17,865.39)	(5,50,32,728.31)
	Less : Dividends on convertible preference shares & tax thereon	-	-
	<b>Net profit/(loss) for calculation of basic EPS</b>	<b>(4,19,17,865.39)</b>	<b>(5,50,32,728.31)</b>
	Net profit as above	(4,19,17,865.39)	(5,50,32,728.31)
	Add : dividends on convertible preference shares & tax thereon	-	-
	Add : interest on bonds convertible into equity shares (net of tax)	-	-
	<b>Net profit/(loss) for calculation of diluted EPS (A)</b>	<b>(4,19,17,865.39)</b>	<b>(5,50,32,728.31)</b>
	Weighted average number of equity shares in calculating basic EPS	1,59,10,783.84	1,07,98,047.12
	<b>Effect of dilution:</b>		
	Convertible preference shares		
	Convertible bonds		
	Stock options granted under ESOP		
	<b>Weighted average number of equity shares in calculating diluted EPS (B)</b>	<b>1,59,10,783.84</b>	<b>1,07,98,047.12</b>
	<b>Earnings Per Share (A/B)</b> (Basic and Diluted)	<b>(2.63)</b>	<b>(5.10)</b>

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# Manappuram Health Care Limited

## Notes to the financial statements for the year ended 31-March-2014

All amounts are in Indian Rupees

### Note 24 Related party transactions

#### Names of related parties

Key Management Personnel

Dr.P.D.Prasanna  
Dr.Jayasankar  
Prof.K.G.Ravi  
Mr. V P Nandakumar  
Mrs.Sushama Nandakumar

Associates / Enterprises owned or significantly influenced by key management personnel or their relatives

Manappuram Finance Limited  
Manappuram Jewellers Limited  
Maben Nidhi Limited  
Manappuram Asset Finance Limited  
Manappuram Chits (India) Limited  
Manappuram Chit Funds Company Private Limited  
Manappuram Chits Company (Karnataka) Pvt Limited  
Manappuram Insurance Brokers Private Limited  
Macare Dental Care Private Limited  
Manappuram Comptech and consultants Limited  
Manappuram Construction and Properties Limited  
Manappuram Agro Farms Ltd  
Manappuram Foundations (charitable trust)  
Manappuram Chits India(sole proprietorship)  
MAGRO Finance(sole proprietorship)  
Aptus Value Housing Finance India Limited  
Fivestar Business Credits Limited  
Finance Industry Development Council  
White Lillies Marketing Services Pvt Limited

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## Manappuram Health Care Limited

Notes to the financial statements for the year ended 31-March-2014

All amounts are in Indian Rupees

### Note 24 Related party transactions(Contd..)

#### Names of related parties

Relatives of key

management

personnel

Mrs. Sushama Nandakumar  
Mr. Sooraj Nandan  
Mrs Sumitha Nandakumar  
Mrs.Jyothi Prasannan  
Mrs. Shelly Ekalavyan  
Mrs. Geetha Ravi

Transactions with relatives of key management personnel are based on delcarations by the key management personnel and relied upon by the auditors.

#### Related party transactions

Particulars	Associates / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel		Total	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Salaries & Allowances paid				27,00,000.00				27,00,000.00
r.P.D.Prasannan			28,72,406.00				28,72,406.00	
r.Sumitha Jayasankar			24,11,744.00	19,50,000.00			24,11,744.00	19,50,000.00
-Jayasankar			4,60,662.00	1,50,000.00			4,60,662.00	1,50,000.00
				6,00,000.00				6,00,000.00

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# Manappuram Health Care Limited

Notes to the financial statements for the year ended 31-March-2014

Note 24 Related party transactions(Contd..)

All amounts are in Indian Rupees

Particulars	Associates / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel		Total	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
<b>Sitting Fees Paid</b>								
Mr.V.P.Nandakumar			1,10,000.00	15,000.00			1,10,000.00	15,000.00
Sushama Nandakumar			40,000.00	5,000.00			40,000.00	5,000.00
Prof.K.G.Ravi			35,000.00	5,000.00			35,000.00	5,000.00
			35,000.00	5,000.00			35,000.00	5,000.00
<b>Rent Paid</b>								
Mr.V.P.Nandakumar			1,08,000.00	1,88,000.00			1,08,000.00	1,88,000.00
<b>Sale of Pharmacy Products</b>								
Mr.V.P.Nandakumar			2,05,723.00	-				
			2,05,723.00	-				
<b>IT Support Cost</b>								
Manappuram Comptech and Consultants Limited	30,33,715.00	30,01,352.00					30,33,715.00	30,01,352.00
	30,33,715.00	30,01,352.00					30,33,715.00	30,01,352.00
<b>Consultation Charges</b>								
Manappuram Comptech and Consultants Limited	3,54,498.00	89,664.00					3,54,498.00	89,664.00
	3,54,498.00	89,664.00					3,54,498.00	89,664.00
<b>Maintenance Charges</b>								
Manappuram Construction and Properties Ltd	9,15,893.00							
<b>Purchase of Packaged Drinking water</b>								
Manappuram Agro Farms	25,921.00							
	25,921.00							

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# Manappuram Health Care Limited

Notes to the financial statements for the year ended 31-March-2014

## Note 24 Related party transactions (Contd..)

All amounts are in Indian Rupees

Particulars	Associates / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel		Total	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Lease Rent Received Macare Dental Care Pvt Ltd	1,20,000.00 1,20,000.00	1,00,000.00 1,00,000.00					1,20,000.00 1,20,000.00	1,00,000.00 1,00,000.00
Purchase of Fixed Assets	11,94,845.00	1,56,481.00					11,94,845.00	1,56,481.00
Manappuram Finance Limited	-	89,926.00					-	89,926.00
Manappuram Construction and Properties Ltd	10,39,845.00	66,555.00					10,39,845.00	66,555.00
Manappuram Asset Finance Limited	1,55,000.00							
Sale of Fixed Assets (Excluding salestax)	-	2,88,619.00					-	2,88,619.00
Manappuram Asset Finance Limited	-	2,88,619.00					-	2,88,619.00
P.Nandakumar	-	-					-	-
Advances Given Towards Fixed Assets	-	1,68,697.00					-	1,68,697.00
Manappuram Construction and Properties Ltd	-	1,68,697.00					-	1,68,697.00



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# Manappuram Health Care Limited

Notes to the financial statements for the year ended 31-March-2014

## Note 24 Related party transactions(Contd..)

All amounts are in Indian Rupees

Particulars	Associates / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel		Total	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Security Deposit Paid Manappuram Comptech and Consultants Limited	22,00,000.00	-	-	-	-	-	-	-
Accounts Payable Manappuram Comptech and Consultants Limited	1,42,827.00	28,38,308.00	71,750.00	27,81,905.00	4,946.00	-	1,42,827.00	28,38,308.00
Manappuram Agro Farms Ltd	4,946.00	-	-	-	-	-	71,750.00	27,81,905.00
Manappuram Construction and Properties Ltd	66,131.00	56,403.00	-	-	-	-	66,131.00	56,403.00
Interest Received Acare Dental Care Pvt Ltd	4,28,927.00	54,780.00	4,28,927.00	54,780.00	-	-	4,28,927.00	54,780.00
Loan to Related Parties Acare Dental Care Pvt Ltd	68,38,343.00	27,91,302.00	84,64,309.00	4,21,956.06	7,43,379.94	23,69,345.94	68,38,343.00	27,91,302.00
Amount given prepayment balance Receivable	84,64,309.00	4,21,956.06	7,43,379.94	23,69,345.94	-	-	84,64,309.00	4,21,956.06
							7,43,379.94	23,69,345.94

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# Manappuram Health Care Limited

Notes to the financial statements for the year ended 31-March-2014

## Note 24 Related party transactions(Contd..)

All amounts are in Indian Rupees

Particulars	Associates / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel		Total	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Loan From Related Parties								
P.Nandakumar								
Amount Accepted			5,06,21,000.00	6,65,32,000.00			5,06,21,000.00	6,65,32,000.00
Repayment(Preferential issue of Shares)			5,06,21,000.00	7,09,32,000.00			5,06,21,000.00	7,09,32,000.00
Balance Outstanding								
D Prasanna			3,00,000.00	-				
Amount Accepted			3,00,000.00					
Repayment			3,00,000.00					
Balance Outstanding								
Manappuram Health Care Pvt Ltd								
Amount Accepted		5,70,000.00						5,70,000.00
Repayment		5,70,000.00						5,70,000.00
Balance Outstanding								

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# Manappuram Health Care Limited

Notes to the financial statements for the year ended 31-March-2014

All amounts are in Indian Rupees

## Note 25: Employment benefits disclosures:

### i) Gratuity:-

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India.

The following tables summaries the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the gratuity plan.

### Profit and Loss account :-

#### Net employee benefit expense

	2014	2013
PV of past service benefit		
Current service cost		
Interest cost on benefit obligation	4,49,113.00	2,25,495.00
Expected return on plan assets	1,52,587.00	20,244.00
Net actuarial loss recognized in the year	(1,19,245.00)	(27,189.00)
Net (benefit) / expense	(9,27,266.00)	14,08,554.00
	<b>(4,44,811.00)</b>	<b>16,27,104.00</b>

### Balance sheet :-

#### Reconciliation of present value of the obligation and the fair value of plan assets:

	2014	2013
Defined benefit obligation	15,81,773.00	19,07,339.00
Fair value of plan assets	17,78,278.00	3,29,288.00
Asset/(liability) recognized in the balance sheet	<b>1,96,505.00</b>	<b>(15,78,051.00)</b>

#### Changes in the present value of the defined benefit obligation are as follows:

	2014	2013
Opening defined benefit obligation	19,07,339.00	2,53,046.00
Interest cost	1,52,587.00	20,244.00
Current service cost	4,49,113.00	2,25,495.00
Benefits paid	0.00	-
Actuarial loss / (gain) on obligation	(9,27,266.00)	14,08,554.00
Closing defined benefit obligation	<b>15,81,773.00</b>	<b>19,07,339.00</b>

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**Manappuram Health Care Limited**  
**Notes to the financial statements for the year ended 31-March-2014**  
**Note25: Employment benefits disclosures (Contd...)**

All amounts are in Indian Rupees


<b>Changes in the fair value of plan assets are as follows:</b>	<b>2014</b>	<b>2013</b>
Opening fair value of plan assets	3,29,288.00	3,02,099.00
Expected return	1,19,245.00	27,189.00
Contributions by employer	13,29,745.00	-
Benefits paid	-	-
Actuarial gains / (losses)	-	-
Closing fair value of plan assets	<b>17,78,278.00</b>	<b>3,29,288.00</b>

<b>The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:</b>	<b>2014</b>	<b>2013</b>
	%	%
Discount rate	8%	8%
Salary Escalation	7%	7%

The fund is administered by Life Insurance Corporation of India ("LIC"). The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation.

**ii) Provident Fund:-**The amount of Provident fund contribution charged to the Profit and loss account during the year aggregates to ₹. 5,42,230.00(Previous year - ₹. 8,45,364.00 ).

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# Manappuram Health Care Limited

## Notes to the financial statements for the year ended 31-March-2014

### 26 IMPAIRMENT OF ASSETS

Fixed Assets possessed by the Company are treated as "Corporate Assets" and are not "Cash Generating Units" as defined in As-28 issued by ICAI. In the opinion of the management, there is no impairment of assets of the Company as on 31.03.2014

27 <u>COMMITMENTS AND CONTRACTS</u>	31-Mar-14	31-Mar-13
-------------------------------------	-----------	-----------

Contracts remaining to be executed on capital accounts	NIL	NIL
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28 <u>EXPENDITURE IN FOREIGN CURRENCY</u>	31-Mar-14	31-Mar-13
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Expenditure in foreign currency	NIL	NIL
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29 <u>CONTINGENT LIABILITIES</u>	31-Mar-14	31-Mar-13
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Contingent liability in respect of claims against the Company not acknowledged as debt	NIL	NIL
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### 30 COMPARITIVES

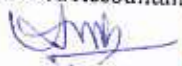
The Company has reclassified or regrouped previous year figures to conform to this year's classification.

As per our report of even date

For Mohandas & Associates

Firm registration number: 02116S

Chartered Accountants



Mohandas A

Partner

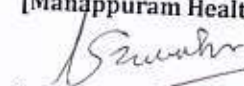
Membership no.: 036726

Place: Thrissur


Date: 6th September, 2014




For and on behalf of the board of directors of  
[Manappuram Health Care Limited]

  
Dr. P. D. Prasanna  
Managing Director

  
Dr. K. G. Ravy  
Director

  
V. P. Nandakumar  
Director

  
Rameshan K  
Chief Executive Officer

  
Ajith Thomas  
Chief Financial Officer

**Manappuram Health Care Limited**  
**Cash flow statement for the year ended 31-March-2014**

All amounts are in Indian Rupees

	31-Mar-14	31-Mar-13
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	(4,25,69,893)	(5,61,06,478)
Non-cash adjustment to reconcile profit before tax to net cash		
Provision for doubtful assets	32,037	13,570
Depreciation and amortization	1,32,45,563	1,51,38,481
Loss on sale of fixed assets	1,97,327	2,94,912
Profit on sale of fixed assets	-	(1,57,654)
Interest /Dividend income	(4,35,362)	(60,669)
Interest Expense	74,22,451	77,52,674
<b>Operating profit before working capital changes</b>	<b>(2,21,07,877)</b>	<b>(3,31,25,164)</b>
Movements in working capital :		
Increase/ (decrease) in other current liabilities & Provisions	(63,13,239)	78,79,518
Decrease / (increase) in long-term loans and advances	(32,50,767)	(12,77,544)
Decrease / (increase) in short-term loans and advances	57,45,853	(62,82,417)
Decrease / (increase) in other current assets	(17,92,801)	(4,45,055)
Cash generated from / (used in) operations	(2,77,18,831)	(3,32,50,661)
Direct taxes paid (net of refunds)	-	-
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(2,77,18,831)</b>	<b>(3,32,50,661)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including CWIP and capital advances	(98,18,805)	(62,99,614)
Sale of fixed assets	65,400	23,56,719
Interest received	4,35,362	60,669
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(93,18,043)</b>	<b>(38,82,226)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	5,06,21,000	5,11,34,400
Interest paid	(74,22,451)	(77,52,674)
Short-term borrowings	(16,16,074)	(15,45,173)
Long Term borrowings	(46,15,440)	(46,15,440)
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>3,69,67,035</b>	<b>3,72,21,113</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(69,839)</b>	<b>88,225</b>
Cash and cash equivalents at the beginning of the year	4,86,568	3,98,343
<b>Cash and cash equivalents at the end of the year</b>	<b>4,16,729</b>	<b>4,86,568</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	1,52,715	1,63,339
With banks- on current account	2,64,014	3,23,229
- on deposit account	-	-
<b>Total cash and cash equivalents (note 14)</b>	<b>4,16,729</b>	<b>4,86,568</b>
Summary of significant accounting policies		

As per our report of even date

For Mohandas & Associates

Firm registration number: 021165

Chartered Accountants

Mohandas A

Partner

Membership no.: 036726

Place: Thrissur

Date: 6th September, 2014



For and on behalf of the board of directors of  
**(Manappuram Health Care Limited)**

Dr.P.D.Prasanna  
 Managing Director

Dr.K.G.Ravi  
 Director

V.P.Nandakumar  
 Director

Rameshan K  
 Chief Executive Officer

Ajlth Thomas  
 Chief Financial Officer