

***MANAPPURAM HEALTH CARE LIMITED***

**FINANCIAL STATEMENT  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**



## MOHANDAS & ASSOCIATES

CHARTERED ACCOUNTANTS

IIIrd Floor, "Sree Residency"

Press Club Road, Thrissur - 1.

☎ : 0487 - 2333124, 2321290

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*Our Ref.*

### Independent Auditor's Report

To the Members of  
*Manappuram Health Care Limited*

#### Report on the Financial Statements

We have audited the accompanying (Standalone) financial statements of **Manappuram Health Care Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on these (Standalone) 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 thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, 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 (Standalone) financial statements





**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid (Standalone) financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its Loss and its Cash Flow for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. in our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Thrissur

Date: 03-09-2016

*For and on behalf of*

*Mohandas & Associates*

*Chartered Accountants*

*ICAI Firm Registration Number : 02116S*

*Mohandas A*

*[Partner]*

*Membership No. 036726*





**"Annexure A" to the Independent Auditors' Report**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- 1 (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company
- 2 (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3 The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4 In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security given.
- 5 The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6 As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7 (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date they become payable.
- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8 In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9 Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10 Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.



- 11 Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12 In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13 In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14 Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15 Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16 In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

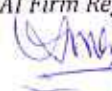
Place: Thrissur

Date: 03-09-2016

For Mohandas & Associates

Chartered Accountants

ICAI Firm Registration No. 02116S

  
Mohandas A

[Partner]

Membership No. 036726





**"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of Manappuram Health Care Limited**

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

We have audited the internal financial controls over financial reporting of **Manappuram Health Care Limited ("the Company")** as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;



2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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


**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note issued by the ICAI.

Place: Thrissur

Date: 03-09-2016

For Mohandas & Associates  
Chartered Accountants  
ICAI Firm Registration Number: 02116S

  
Mohandas A  
[Partner]

Membership No. 036726





**Manappuram Health Care Limited**  
**Balance Sheet as at 31-March-2016**

All amounts in Indian Rupees

Equity and liabilities	Notes	31-Mar-16	31-Mar-15
<b>Shareholders' funds</b>			
Share capital	3	27,61,40,100	23,35,52,900
Reserves and surplus	4	(23,67,54,657)	(20,91,71,247)
		<b>3,93,85,443</b>	<b>2,43,81,653</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	84,61,280	1,30,76,720
Other long term liabilities		-	-
		<b>84,61,280</b>	<b>1,30,76,720</b>
<b>Current liabilities</b>			
Short-term borrowings	6	2,70,22,186	2,76,65,153
Other current liabilities	7	2,23,89,354	1,23,62,339
Short-term provisions	8	-	34,187
		<b>4,94,11,540</b>	<b>4,00,61,679</b>
<b>TOTAL</b>		<b>9,72,58,263</b>	<b>7,75,20,052</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	9	5,99,59,344	4,92,27,831
Intangible Assets	10	2,01,805	1,92,187
Capital work in progress		-	-
Non-current investments		-	-
Deferred tax assets (net)	11	91,11,895	71,19,404
Long-term loans and advances	12	1,32,27,222	89,89,652
Other Non current assets	13	-	-
		<b>8,25,00,266</b>	<b>6,55,29,074</b>
<b>Current assets</b>			
Current investments		-	-
Cash and bank balances	14	4,94,314	3,97,139
Short-term loans and advances	12	13,48,150	5,65,416
Other current assets	13	1,29,15,533	1,10,28,423
		<b>1,47,57,997</b>	<b>1,19,90,978</b>
<b>Total</b>		<b>9,72,58,263</b>	<b>7,75,20,052</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**

Chartered Accountants

ICAI Firm Registration No: 02116S

**Mohandas A**

Partner

Membership No.: 036726

Place: Thrissur

Date: 03-09-2016

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

**Dr.P.D.Prasannan**  
Managing Director  
DIN: 03535849

**Prof.K G Ravi**  
Director  
DIN: 03627048

**V.P.Nandakumar**  
Director  
DIN:00044512

**Bameshan K**  
Chief Executive Officer

**Ajith Thomas**  
Chief Financial Officer

**Nithin Mohan**  
Company Secretary



**Manappuram Health Care Limited**  
**Statement of Profit & Loss for the year ended 31-March-2016**  
All amounts are in Indian Rupees

Continuing Operations	Notes	31-Mar-16	31-Mar-15
<b>Income</b>			
Revenue from operations	15	9,34,52,974	6,96,04,999
Other income	16	11,37,223	7,36,678
<b>Total revenue (I)</b>		<b>9,45,90,197</b>	<b>7,03,41,677</b>
<b>Expenses</b>			
Purchase of Traded goods	17	2,80,33,080	1,70,46,382
Changes in inventories of finished goods, work-in-progress and stock-in-trade	18	(24,45,028)	(4,30,088)
Employee benefits expense	19	2,71,86,855	2,04,75,855
Other expenses	20	5,08,76,925	4,12,09,114
Depreciation and amortization expense	21	1,52,51,347	2,62,55,039
Finance costs	22	52,62,919	60,36,401
<b>Total Expenses (II)</b>		<b>12,41,66,098</b>	<b>11,05,92,703</b>
<b>Profit/(loss) before tax (I) - (II)</b>		<b>(2,95,75,901)</b>	<b>(4,02,51,026)</b>
<b>Tax expenses</b>			
Current tax		-	-
Deferred tax		(19,92,491)	(53,98,341)
<b>Total tax expense (III)</b>		<b>(19,92,491)</b>	<b>(53,98,341)</b>
<b>Profit/(loss) for the year (IV)</b>		<b>(2,75,83,410)</b>	<b>(3,48,52,685)</b>
<b>Earnings per equity share</b> [nominal value of share ₹.10]			
<b>(Basic and Diluted)</b>	23	<b>(1.18)</b>	<b>(1.67)</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**

ICAI Firm Registration No: 02116S

Chartered Accountants

*Mohandas A*

**Mohandas A**

Partner

Membership No.: 036726



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

*Dr.P.D.Prasannan*

**Dr.P.D.Prasannan**

Managing Director

DIN: 03535849

*Prof.K G Ravi*

**Prof.K G Ravi**

Director

DIN: 03627048

*V.P.Nandakumar*

**V.P.Nandakumar**

Director

DIN:00044512

Place: Thrissur

Date: 03-09-2016

*Rameshan K*

**Rameshan K**  
Chief Executive Officer

*Ajith Thomas*

**Ajith Thomas**  
Chief Financial Officer

*Nithin Mohan*

**Nithin Mohan**  
Company Secretary

**Manappuram Health Care Limited**

**Cash flow statement for the year ended 31-March-2016**

All amounts are in Indian Rupees

	31-Mar-16	31-Mar-15
<b>Cash flow from operating activities</b>		
Profit before tax	(2,95,75,901)	(4,02,51,026)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Provision for doubtful assets	(34,187)	(11,420)
Depreciation and amortization	1,52,51,347	2,62,55,039
Loss on sale of fixed assets	1,96,262	1,12,246
Profit on sale of fixed assets	-	-
Interest /Dividend income	(89,387)	(53,806)
Interest Expense	19,04,293	26,32,451
<b>Operating profit before working capital changes</b>	<b>(1,23,47,573)</b>	<b>(1,13,16,516)</b>
Movements in working capital :		
Increase/ (decrease) in other current liabilities & Provisions	1,00,27,015	(18,267)
Decrease / (increase) in long-term loans and advances	(42,37,570)	2,59,049
Decrease / (increase) in short-term loans and advances	(7,82,734)	6,31,010
Decrease / (increase) in other current assets	(18,87,110)	(28,66,101)
Cash generated from / (used in) operations	(92,27,972)	(1,33,10,825)
Direct taxes paid (net of refunds)	-	-
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(92,27,972)</b>	<b>(1,33,10,825)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including CWIP and capital advances	(2,62,91,740)	(26,44,325)
Sale of fixed assets	1,03,000	26,046
Interest received	89,387	53,806
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(2,60,99,353)</b>	<b>(25,64,473)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	4,25,87,200	2,45,17,500
Interest paid	(19,04,293)	(26,32,451)
Short-term borrowings	(6,42,967)	(14,13,901)
Long Term borrowings	(46,15,440)	(46,15,440)
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>3,54,24,500</b>	<b>1,58,55,708</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A + B + C)</b>	<b>97,175</b>	<b>(19,590)</b>
Cash and cash equivalents at the beginning of the year	3,97,139	4,16,729
<b>Cash and cash equivalents at the end of the year</b>	<b>4,94,314</b>	<b>3,97,139</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	1,79,584	1,58,409
With banks- on current account	3,14,730	2,38,730
- on deposit account	-	-
<b>Total cash and cash equivalents (note 14)</b>	<b>4,94,314</b>	<b>3,97,139</b>

As per our report of even date  
For Mohandas & Associates  
Chartered Accountants  
ICAI Firm Registration No: 021165

Mohandas A  
Partner  
ICAI Membership no.: 036726



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

Dr.P.D.Prasannan Managing Director DIN: 03535849  
Prof.K.G.Ravi Director DIN: 03627048  
V.P.Nandakumar Director DIN:00044512

Place: Thrissur  
Date : 03-09-2016

Rameshan K  
Chief Executive Officer

Ajith Thomas  
Chief Financial Officer

Nithin Mohan  
Company Secretary



**1 Company Profile**

Manappuram Health Care Limited is an ambitious and revolutionary initiative towards making the world around us a salubrious place. 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 Manappuram Health Care Limited 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 16 Micro Labs and Three 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, Pharmacies, Opticals & Medical Clinic.

**2 Significant Accounting Policies**

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

**2.1 Basis of preparation of financial statements**

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 specified under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

**2.2 Use of Estimates**

The preparation of financial statements in accordance with the Indian GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, expenses and the disclosure of contingent liabilities at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Revision to accounting estimate is recognized in the period in which the estimates are revised and in any future period affected.

**2.3 Investments**

The company does not hold any investments during the year.

**2.4 Fixed Assets**

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

**2.5 Depreciation**

Depreciation on Fixed Assets has been provided on Written Down Value method at the rates prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions in Fixed Assets are provided on prorata basis.



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**2.6 Intangible assets-Computer software & Licenses**

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

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

**2.7 Impairment of Tangible and Intangible Assets**

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

**2.8 Revenue Recognition**

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

**2.9 Employees Benefits**

Retirement benefit in the form of Provident Fund is a defined contribution scheme. The Company has no obligation payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for the service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as the liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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

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

The earned leave by the employees is not encashed to the employees and lapses at the end of the year.

**2.10 Leave Encashment Benefits:**

As per the employment policy of the company, employees are required to avail their annual leave by the end of respective financial year and the leave is not allowed to be encashed. Hence no provision is made for this in the accounts.

**2.11 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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.



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**2.12 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 balance sheet date. Deferred tax assets are recognized 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 realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet 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. No Provision on Deferred tax for accumulated loss has been provided in the accounts.

**2.13 Earning 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.

**2.14 Provisions**

A provision is recognized when there is a present obligation as a result of past events 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 best estimates of the expenditure required to settle the obligation as at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate for each such obligation.

**2.15 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash and cash-on-deposit with banks and financial institutions. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**2.16 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 recognized 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 recognized because it can not be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements as there is no indication of the uncertainties relating to any outflow.

**2.17 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. The slow moving stock and obsolete items are removed from the stock and written off.

**2.18 Expenditure on Corporate Social Responsibilities**

During the year Corporate Social Responsibility is not applicable for the Company.



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**2.19 Segment Reporting**

The company has 4 segments (i)Pharmacy (ii)Diagnostics (iii) Opticals and (iv) Clinic . As per AS-17 the Company has two revenue segments as reportable revenue segments. The single revenue segment is more than 10% of the total.  
The reportable revenue segments are:

Particulars	Reportable Segments	
	Pharmacy	Diagnostics
Revenue	3,02,36,806	5,89,47,431
Total Expenses	4,80,95,892	5,50,06,970
Profit before tax	(1,78,59,086)	39,40,461
Segment Assets	14,71,14,132	28,99,081
Segment Liabilities	86,22,685	30,22,871

**2.20 Lease**

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

Sl.No	Agreement Period	Rent Amount	Not Less than 1 year	Later Than One Year Not Later Than 5 Year	Above 5 years
1	11 months	45,600	3,29,019	1,85,135	-
2	3 years	17,490	1,24,900	1,26,220	-
3	5 years	12,000	1,70,201	3,14,423	-
4	6 years	3,93,890	47,29,380	2,35,13,442	-
5	9 years	38,050	5,33,522	25,96,148	1,35,321
6	10 years	1,60,650	19,27,800	1,19,30,598	69,23,250



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Notes to Financial Statements for the year ended 31 March 2016  
 All amounts are in Indian rupees unless otherwise stated

3 Share capital	31-Mar-16		31-Mar-15	
	Number	Amount	Number	Amount
<b>Authorised shares</b>				
2,80,00,000 (31st March 2015: 2,35,00,000) equity shares of ₹ 10/- each			28,00,00,000	23,50,00,000
<b>Issued, subscribed and fully paid-up shares</b>				
2,76,14,010 (31st March 2015: 2,33,55,290) equity shares of ₹ 10/- each			27,61,40,100	23,35,52,900
<b>Total issued, subscribed and fully paid-up share capital</b>		₹	<b>27,61,40,100</b>	<b>23,35,52,900</b>
<b>3a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:</b>				
<b>Particulars</b>	<b>31-Mar-16</b>		<b>31-Mar-15</b>	
	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
<b>Equity shares with voting rights</b>				
Opening Balance	2,33,55,290	23,35,52,900	2,09,03,540	20,90,35,400
Fresh Issue	42,58,720	4,25,87,200	24,51,750	2,45,17,500
<b>Closing Balance</b>	<b>2,76,14,010</b>	<b>27,61,40,100</b>	<b>2,33,55,290</b>	<b>23,35,52,900</b>

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**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-16		31-Mar-15	
	Number	% holding in the class	Number	% holding in the class
Nandakumar V P	2,75,64,510	99.82	2,33,05,790	99.79

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-16	31-Mar-15
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	(20,91,71,247)	(17,43,18,562)
Profit for the year	(2,75,83,410)	(3,48,52,685)
Less: Appropriations	(23,67,54,657)	(20,91,71,247)
<b>Net surplus in the statement of profit and loss</b>	(23,67,54,657)	(20,91,71,247)
<b>Total reserves and surplus</b>	(23,67,54,657)	(20,91,71,247)



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NOTE 5 Long-term borrowings	Non-current portion		Current maturities	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Term Loan from South Indian Bank (Refer note below)	84,61,280	1,30,76,720	46,15,440	46,15,440
<b>The above amount includes</b>	<b>84,61,280</b>	<b>1,30,76,720</b>	<b>46,15,440</b>	<b>46,15,440</b>
Secured borrowings	84,61,280	1,30,76,720	46,15,440	46,15,440
Unsecured borrowings	-	-	(46,15,440)	(46,15,440)
Amount disclosed under the head "other current liabilities" (note 7)	-	-	-	-
<b>Net amount</b>	<b>84,61,280</b>	<b>1,30,76,720</b>	<b>-</b>	<b>-</b>
<b>Details of secured loan</b>				
<b>Bank</b>				
South Indian Bank	Rate of interest	Base Rate + 2% (presently 11.00%)		
	Primary security	Hypothecation of assets valued at ₹ 467 lakhs including laboratory equipments, imaging equipments, generator, micro biological equipments, X-ray machines, automated chemistry analyzer, 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.		
	Collateral security	(i) Land with residential building of total built area of 1190sq t,110 cents(Actual extent 120 cents) in Survey No.130/4, 130 parts to 1312/4B, Thrissur village, Thrissur Taluk in the name of Dr.Sumitha Nandan (ii) Land with residential building of total area of 660sqf t,199 cents(Actual extent 205 cents) in Survey No.12/4, , kodannur village, Thrissur Taluk in the name of smt. Sumitha Nandan (iii) Dry Land with coconut trees of 19,945 cents in Survey No.366/1B2, 366/1A2D, Valappad village, Kazhimbram desham. Chavakkad thaluk, in the name of Dr.Sumitha Nandan		

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Notes to Financial Statements for the year ended 31-March-2016  
 All amounts are in Indian rupees unless otherwise stated

NOTE 6		31-Mar-16	31-Mar-15
<b>Short-term borrowings</b>			
Overdraft from South Indian Bank (secured)(Refer note below)		2,42,66,780	2,76,65,153
Loan from Director(Unsecured)(Refer Note 24)		27,55,406	-
<b>Total ₹</b>		<b>2,70,22,186</b>	<b>2,76,65,153</b>
<b>The above amount includes</b>			
Secured borrowings		2,42,66,780	2,76,65,153
Unsecured borrowings		27,55,406	-
<b>Details of secured loan</b>			
<b>Bank</b>	<b>Rate of interest</b>	<b>Base Rate + 2% (presently 11.00%)</b>	
South Indian Bank	Primary security	Hypothecation of available stock.	
	Collateral security	(i) Land with residential building of total built area of 1190sqft, 110 cents (Actual extent 120 cents) in Survey No.130/4, 130 parts to 1312/4B, Thrissur village, Thrissur Taluk in the name of Dr.Sumitha Nandan	
		(ii) Land with residential building of total area of 660sq.ft, 199 cents (Actual extent 205 cents) in Survey No.12/4, , kodannur village, Thrissur Taluk in the name of smt. Sumitha Nandan	
		(iii) Dry Land with coconut trees of 19,945 cents in Survey No.366/IB2, 366/IA2D, Valappad village, Kazhimbram desham. Chavakkad thaluk, in the name of Dr.Sumitha Nandan	

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7 Other current liabilities	31-Mar-16	31-Mar-15
Current maturities of long-term borrowings (note 5)	46,15,440	46,15,440
Trade payables	33,73,011	30,00,945
Statutory Due Payable	8,68,703	6,13,317
Payable for employees	25,65,336	7,44,373
Payable for expenses	89,32,262	20,69,560
Payable for fixed assets	5,49,504	-
Audit Fee Payable	1,88,750	1,30,000
Retention	3,13,711	2,33,383
Staff Account	9,06,503	8,90,837
Staff welfare fund	76,134	64,484
<b>Total ₹</b>	<b>2,23,89,354</b>	<b>1,23,62,339</b>

Liability towards Investor Education and Protection Fund under section 125 of the Companies Act, 2013 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 2016 and 31 March 2015. 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-16	31-Mar-15
Short recovery from resigned staff a/c	-	34,187
<b>Total ₹</b>	<b>-</b>	<b>34,187</b>

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**Monopararam Health Care Limited**  
**Notes to Financial Statements for the year ended 31-March-2016**  
**All amounts are in Indian rupees unless otherwise stated**

<b>Note:9 - Tangible Assets</b>									
<b>Particulars</b>	<b>Land</b>	<b>Buildings</b>	<b>Plant and equipment</b>	<b>Furniture &amp; Fixtures</b>	<b>Computer and accessories</b>	<b>Office Equipments</b>	<b>Vehicle</b>	<b>Total</b>	
<b>Cost or valuation</b>									
At 1 April 2014	-	12,43,099	4,72,04,074	5,69,16,297	33,29,895	-	5,56,651	10,92,50,016	
Additions	-	-	7,73,350	18,17,475	17,500	-	-	26,08,325	
Disposals	-	-	25,717	2,55,243	-	-	-	2,80,960	
<b>At 31 March 2015</b>	<b>-</b>	<b>12,43,099</b>	<b>4,79,51,707</b>	<b>5,84,78,529</b>	<b>33,47,395</b>	<b>-</b>	<b>5,56,651</b>	<b>11,15,77,381</b>	
Additions	1,02,14,500.00	6,00,000.00	58,96,968	87,16,842	5,99,929	1,57,501	-	2,61,85,740	
Disposals	-	-	5,90,000	-	-	-	-	5,90,000	
<b>At 31 March 2016</b>	<b>1,02,14,500</b>	<b>18,43,099</b>	<b>5,32,58,675</b>	<b>6,71,95,371</b>	<b>39,47,324</b>	<b>1,57,501</b>	<b>5,56,651</b>	<b>13,71,73,121</b>	
<b>Depreciation</b>									
At 1 April 2014	-	1,90,344	1,43,45,184	1,93,50,348	22,40,899	-	2,01,769	3,63,28,544	
Charge for the year	-	1,05,660	71,29,420	1,79,62,627	8,50,767	-	1,15,200	2,61,63,674	
Disposals	-	-	8,171	1,34,497	-	-	-	1,42,668	
<b>At 31 March 2015</b>	<b>-</b>	<b>2,96,004</b>	<b>2,14,66,433</b>	<b>3,71,78,478</b>	<b>30,91,666</b>	<b>-</b>	<b>3,16,969</b>	<b>6,23,49,550</b>	
Charge for the year **	-	95,065	61,56,576	85,04,802	2,85,103	35,654	77,765	1,51,54,965	
Disposals	-	-	2,90,738	-	-	-	-	2,90,738	
<b>At 31 March 2016</b>	<b>-</b>	<b>3,91,069</b>	<b>2,73,32,271</b>	<b>4,56,83,280</b>	<b>33,76,769</b>	<b>35,654</b>	<b>3,94,734</b>	<b>7,72,13,777</b>	
<b>Net Block</b>									
At 31 March 2015	-	9,47,095	2,64,85,274	2,13,00,051	2,55,729	-	2,39,682	4,92,27,831	
At 31 March 2016	1,02,14,500	14,52,030	2,59,26,404	2,15,12,091	5,70,555	1,21,847	1,61,917	5,99,59,344	



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**Manappuram Health Care Limited**

**Notes to Financial Statements for the year ended 31-March-2016**

**All amounts are in Indian rupees unless otherwise stated**

10 Intangible assets	Computer software	Total
<b>Gross block</b>		
At 1 April 2014	4,20,824	4,20,824
Purchase	36,000	36,000
<b>At 31 March 2015</b>	<b>4,56,824</b>	<b>4,56,824</b>
Purchase	1,06,000	1,06,000
<b>At 31 March 2016</b>	<b>5,62,824</b>	<b>5,62,824</b>
<b>Amortization</b>		
At 1 April 2014	1,73,272	1,73,272
Charge for the year	91,365	91,365
<b>At 31 March 2015</b>	<b>2,64,637</b>	<b>2,64,637</b>
Charge for the year	96,382	96,382
<b>At 31 March 2016</b>	<b>3,61,019</b>	<b>3,61,019</b>
<b>Net block</b>		
<b>At 31 March 2015</b>	<b>1,92,187</b>	<b>1,92,187</b>
<b>At 31 March 2016</b>	<b>2,01,805</b>	<b>2,01,805</b>

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**Manappuram Health Care Limited**

**Notes to Financial Statements for the year ended 31-March-2016**

*All amounts are in Indian rupees unless otherwise stated*

11 Deferred tax assets (net)	31-Mar-16	31-Mar-15
<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 at the beginning of the year</b>	<b>71,19,404</b>	<b>17,21,063</b>
<b>Deferred tax asset</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	18,99,791	54,32,331
Others		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	1,85,400	55,601
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	(92,700)	(89,591)
Provision for diminution in the value of investments		
Others		
<b>Gross deferred tax asset</b>	<b>91,11,895</b>	<b>71,19,404</b>
<b>Net deferred tax asset</b> ₹	<b>91,11,895</b>	<b>71,19,404</b>

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

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Notes to financial statements for the year ended 31 March 2016  
 All amounts are in Indian rupees unless otherwise stated

	Non-current		Current	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
<b>12 Loans and Advances</b>				
<b>Deposits:</b>				
Rent and Electricity deposits	1,09,51,723	67,24,153		
Telephone Deposit	5,499	5,499		
National Saving Certificates (Pledged with Sales Tax Authorities)	70,000	60,000		
Security Deposit with Manappuram Comptech & Consultants Limited	22,00,000	22,00,000		
	<b>1,32,27,222</b>	<b>89,89,652</b>		
VAT and other taxes recoverable, from Government of Kerala	-	-		14,084
Capital advances (Unsecured, considered good)	-	-	13,48,150	5,51,332
<b>Total</b>	<b>1,32,27,222</b>	<b>89,89,652</b>	<b>13,48,150</b>	<b>5,65,416</b>

\* Security Deposit towards Data Center Services and information Security Services

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Arundel Health Care Limited  
 Notes to Financial Statements for the year ended 31-March-2016  
 All amounts are in Indian rupees unless otherwise stated

13	Other assets	Non-current		Current	
		31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
	Closing Stock	-	-	54,41,581	29,96,553
	-Finished goods	-	-	38,46,794	27,88,480
	-Consumables	-	-	45,170	1,28,372
	Trade Receivable outstanding for a period exceeding six months from the date they are due for payment.	-	-	31,55,885	50,05,527
	Other Trade Receivables	-	-	29,286	21,768
	Interest accrued on National Saving Certificate	-	-	3,26,264	58,024
	Tax Deducted at Source	-	-	70,553	29,699
	Prepaid Expense	-	-	-	-
	<b>Total</b>	-	-	<b>1,29,15,533</b>	<b>1,10,28,423</b>
14	Cash and bank balances	Non-current		Current	
		31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
	Cash and cash equivalents	-	-	1,79,584	1,58,409
	Cash in hand	-	-	3,14,730	2,38,730
	Balances with banks:	-	-	-	-
	On current accounts	-	-	-	-
	Deposit with original maturity of less than 3 months	-	-	-	-
	<b>Total</b>	-	-	<b>4,94,314</b>	<b>3,97,139</b>

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**Manappuram Health Care Limited**

**Notes to Financial Statements for the year ended 31-March-2016**

**All amounts are in Indian rupees unless otherwise stated**

15	Revenue from operations	31-Mar-16	31-Mar-15
	<b>Revenue from sales</b>		
	Medicines and other allied products	2,84,99,799	1,73,51,416
	OTC Products	47,90,026	35,62,348
		<b>3,32,89,825</b>	<b>2,09,13,764</b>
	Less:Returns		
	Medicines and other allied products	5,65,679	3,05,631
	OTC Products	1,32,995	90,829
	Other deductions	72,829	1,45,250
	Less : Discount Allowed	34,44,450	19,84,191
	<b>Net Sales Total (A)</b>	<b>2,90,73,872</b>	<b>1,83,87,863</b>
	<b>Revenue from services</b>		
	Consultation charges received	39,28,149	32,04,568
	Registration fees	1,14,372	1,00,540
	Treatment charges	1,27,385	31,873
	<b>Total (B)</b>	<b>41,69,906</b>	<b>33,36,981</b>
	<b>Diagnostics Income</b>		
	Lab income	6,53,27,284	5,36,07,176
	Less: Discount Allowed	(53,62,348)	(57,66,989)
	<b>Total (C)</b>	<b>5,99,64,936</b>	<b>4,78,40,187</b>
	<b>Other operating revenue</b>		
	Discount Received	2,44,260	39,968
	<b>Total (D)</b>	<b>2,44,260</b>	<b>39,968</b>
	<b>Grand Total (A+B+C+D)</b>	<b>9,34,52,974</b>	<b>6,96,04,999</b>
16	<b>Other income</b>	<b>31-Mar-16</b>	<b>31-Mar-15</b>
	Interest on National Savings Certificate	7,518	6,292
	Interest on Electricity Deposit	81,869	45,050
	Interest on loan to Macare Dental Care Pvt Ltd.	-	2,464
	Rent received from Macare Dental Care Pvt Ltd	3,60,000	1,20,000
	Other non-operating income	6,87,836	5,62,872
	<b>Total ₹</b>	<b>11,37,223</b>	<b>7,36,678</b>

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**Manappuram Health Care Limited**

**Notes to Financial Statements for the year ended 31-March-2016**

**All amounts are in Indian rupees unless otherwise stated**

17	Purchase of Traded Goods	31-Mar-16	31-Mar-15
	Purchase :-		
	Medicines and other allied products	2,44,46,866	1,43,97,053
	OTC Products	44,27,694	32,95,598
		<b>2,88,74,560</b>	<b>1,76,92,651</b>
	Less Purchase returns :-		
	Medicines and other allied products	3,13,850	4,22,744
	OTC Products	40,878	24,302
		<b>3,54,728</b>	<b>4,47,046</b>
	Less:Consumption for own use:-		
	Medicines and other allied products	1,08,453	23,224
	OTC Products	2,42,327	1,14,444
		<b>3,50,780</b>	<b>1,37,668</b>
	Less: Discount	1,35,972	61,555
	<b>Net Purchase:-</b>		
	Medicines and other allied products	2,40,24,563	1,39,51,085
	OTC Products	40,08,517	30,95,297
	<b>Total</b>	<b>2,80,33,080</b>	<b>1,70,46,382</b>
18	<b>Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>	<b>31-Mar-16</b>	<b>31-Mar-15</b>
	Inventories at the end of the year		
	-Finished Goods	54,41,581	29,96,553
	(A)	<b>54,41,581</b>	<b>29,96,553</b>
	Inventories at the beginning of the year		
	-Finished Goods	29,96,553	25,66,465
	(B)	<b>29,96,553</b>	<b>25,66,465</b>
	<b>Net( Increase)/Decrease-(A-B)</b>	<b>(24,45,028)</b>	<b>(4,30,088)</b>

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**Manappuram Health Care Limited**

Notes to Financial Statements for the year ended 31-March-2016

All amounts are in Indian rupees unless otherwise stated

19	Employee benefit expense	31-Mar-16	31-Mar-15
	Salaries, wages and bonus	2,42,22,045	1,89,94,665
	Contribution to provident and other fund	21,77,221	13,76,297
	Gratuity expense	5,08,789	12,385
	EDLI	60,000	69,555
	Staff welfare expenses	11,600	-
	Staff recruitment and training	2,07,200	22,953
	<b>Total</b>	<b>2,71,86,855</b>	<b>2,04,75,855</b>
20	Other expenses	31-Mar-16	31-Mar-15
	Advertising and sales promotion	20,38,902	9,52,223
	Bad and doubtful debts	7,90,745	1,80,126
	Commission	1,64,594	2,06,764
	Consultation Charges	73,77,761	65,79,609
	Consumables	1,37,72,526	1,07,75,524
	Electricity Charges	24,47,842	26,90,063
	Fuel Expenses	3,47,113	3,02,053
	Inaugural Expenses	32,126	3,423
	Insurance	20,710	50,225
	IT Support cost	20,17,748	27,40,382
	Legal Charges	-	1,236
	Loss on sale of assets	1,96,262	1,12,246
	Medical Camp Expenses	49,813	1,41,958
	Meeting Expenses	3,976	26,077
	Membership and Subscription	11,749	10,285
	Office Expenses	7,13,479	3,52,157
	Outside lab charges	10,47,919	12,17,859
	Payment to auditor (Refer details below)	1,87,250	1,59,354
	Postage	16,519	2,329
	Printing and stationery	19,49,326	13,90,271
	Rent	64,51,321	40,75,490
	Repairs and maintenance	37,09,821	41,16,914
	Round off	1,237	763
	Security charges	31,993	82,217
	Sitting fees to Directors	3,19,900	94,102
	Stipend to trainees	5,14,818	3,07,033
	Tax and fees	6,39,004	3,06,335
	Telephone Expenses	10,43,644	10,79,365
	Travelling and conveyance	49,78,827	32,52,731
	<b>Total</b>	<b>5,08,76,925</b>	<b>4,12,09,114</b>



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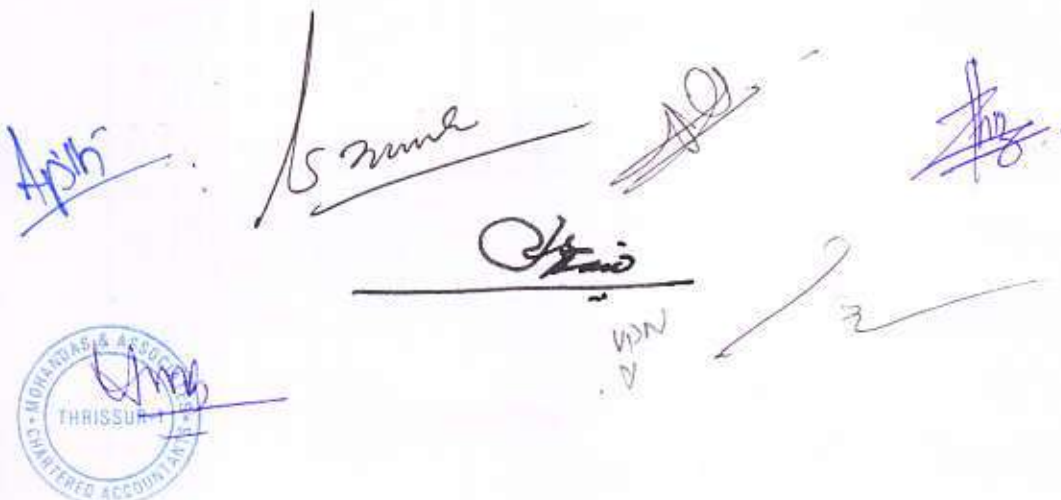
**Manappuram Health Care Limited**

Notes to Financial Statements for the year ended 31-March-2016

All amounts are in Indian rupees unless otherwise stated

20	Other expenses(Contd..)	31-Mar-16	31-Mar-15
	<b>Payment to auditor</b>		
	<b>As auditor:</b>		
	Audit fee	1,43,750	1,14,000
	Tax audit fee	34,500	28,500
	Sales Tax Audit Fee	-	16,854
	<b>In other capacity:</b>		
	Taxation matters	-	-
	Company law matters	-	-
	Management services	-	-
	Other services (certification fees)	-	-
	Reimbursement of expenses	9,000	-
	<b>Total ₹</b>	<b>1,87,250</b>	<b>1,59,354</b>
<b>21</b>	<b>Depreciation and amortization expense</b>	<b>31-Mar-16</b>	<b>31-Mar-15</b>
	Depreciation of tangible assets	1,51,54,965	2,61,63,674
	Amortization of intangible assets	96,382	91,365
		<b>1,52,51,347</b>	<b>2,62,55,039</b>
	Less: recoupment from revaluation reserve	-	-
	<b>Total ₹</b>	<b>1,52,51,347</b>	<b>2,62,55,039</b>

22	Finance costs	31-Mar-16	31-Mar-15
	<b>Interest</b>		
	on Borrowings	51,72,868	59,35,691
	on Trade Payables	8,705	45,456
	on delayed / deferred payment of income tax	-	37
	Bank Charges	81,346	55,217
	<b>Total ₹</b>	<b>52,62,919</b>	<b>60,36,401</b>


  
 The bottom section of the page contains several handwritten signatures in blue ink. On the left, there is a signature that appears to be 'Apsk'. In the center, there is a large signature that looks like 'S. Sankar'. To the right, there are two more signatures, one of which is partially obscured. Below these signatures, there is a circular blue stamp from 'MOYALIAS & ASSOCIATES THRISSUR CHARTERED ACCOUNTANTS'. The stamp contains a signature and some illegible text.



**Manappuram Health Care Limited**

**Notes to Financial Statements for the year ended 31-March-2016**

**All amounts are in Indian rupees unless otherwise stated**

23 Earnings per share (EPS)	31-Mar-16	31-Mar-15
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	(2,75,83,410)	(3,48,52,685)
Less : Dividends on convertible preference shares & tax thereon	-	-
<b>Net profit/(loss) for calculation of basic EPS</b>	<b>(2,75,83,410)</b>	<b>(3,48,52,685)</b>
Net profit as above	(2,75,83,410)	(3,48,52,685)
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>(2,75,83,410)</b>	<b>(3,48,52,685)</b>
Weighted average number of equity shares in calculating basic EPS	2,33,78,625	2,09,10,257
<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>2,33,78,625</b>	<b>2,09,10,257</b>
<b>Earnings Per Share (A/B)</b> (Basic and Diluted)	<b>(1.18)</b>	<b>(1.67)</b>



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**Note 24 Related party transactions**

**Names of related parties**  
Key Management Personnel / Directors

- Dr.P.D.Prasanna
- Prof. K.G.Ravi
- Mr. V P Nandakumar
- Mrs.Sushama Nandakumar
- CA Mahadevan.N.V
- Dr. E.Mohandas

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

- Manappuram Finance Limited
- Manappuram Jewellers Limited
- MABEN Nidhi Limited
- Manappuram Asset Finance Limited
- Manappuram Chits (India) Limited
- Macare Dental Care Private Limited
- Manappuram Chit Funds Company Private Limited
- Manappuram Chits (Karnataka) Limited
- Manappuram Comptech and Consultants Limited
- Manappuram Infrastructure and Builders Private Limited
- Manappuram Construction and Properties Limited
- Manappuram Foundations (Charitable Trust)
- MAGRO Farms
- Finance Industry Development Council
- Manappuram Chits
- MAFIN Enterprises
- Manappuram Travels
- Manappuram Chits (Andhra) Private Limited

**Names of related parties**  
Relatives of key management personnel

- Mr. Sooraj Nandan
- Mrs Sumitha Nandakumar
- Mrs.Jyothi Prasanna
- Mr. Suhas Nandan

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

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V/A



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*Srinivas*  
*Prithi*

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Notes to Financial Statements for the year ended 31-March-2016  
All amounts are in Indian rupees unless otherwise stated

Particulars	Associates / Enterprises owned or significantly influenced by key management personnel/Directors or their relatives		Key Management Personnel/Directors		Relatives of key management personnel/Directors		Total	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
	<b>Related party transactions</b>							
<b>Salaries &amp; Allowances Paid</b> Dr.P.D.Prasannan	-	-	28,83,400.00	25,83,400.00	-	-	28,83,400.00	25,83,400.00
<b>Sitting Fees Paid</b> V.P.Nandakumar	-	-	25,000	25,000	-	-	25,000	25,000
Sushama Nandakumar	-	-	15,000	20,000	-	-	15,000	20,000
Prof.K.G.Ravi	-	-	20,000	20,000	-	-	20,000	20,000
CA Mahadevan.N.V	-	-	1,25,000	5,000	-	-	1,25,000	5,000
Dr. E. Mohandas	-	-	1,20,000	-	-	-	1,20,000	-
<b>Rent Paid</b> Mr.V.P.Nandakumar	-	-	1,08,900	1,08,000	-	-	1,08,900	1,08,000
<b>Rent Payable</b> Manappuram Agro Farms Ltd	10,806	-	-	-	-	-	10,806	-
Mr.V.P.Nandakumar	-	-	11,250	-	-	-	11,250	-
<b>Sale of Pharmacy Products</b> Mr.V.P.Nandakumar	-	-	3,71,406.00	2,07,515	-	-	3,71,406	2,07,515
Manappuram Agro Farms Ltd	1,59,629.00	-	-	-	-	-	-	-
<b>Sale of Opticals</b> Dr. P.D.Prasannan	-	-	27,271	-	-	-	27,271	-
Jyothi Prasannan	-	-	16,970	-	-	-	16,970	-
<b>Traveling Expense to Directors</b> CA Mahadevan.N.V	-	-	25,000	-	-	-	25,000	-
Dr. E.Mohandas	-	-	20,000	-	-	-	20,000	-



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<b>Insurance (Mediclam)</b> Dr. P D Prasanna	-	3,673	-	-	-	3,673	-	-	-
<b>IT Support Cost</b> Manappuram Comptech and Consultants Limited	20,17,748	-	-	-	-	20,17,748	-	-	27,40,382
<b>Consultation Charges</b> Manappuram Comptech and Consultants Limited Dr. Athira Prasanna	6,63,345	-	-	-	-	6,63,345	-	-	5,72,477
<b>Maintenance Charges</b> Manappuram Construction and Properties Ltd	4,87,314	-	-	-	-	4,87,314	-	-	5,18,731
<b>Maintenance and Repairs</b> Manappuram Construction and Properties Ltd Manappuram Comptech and Consultants Limited	16,527,00 16,790,00	-	-	-	-	16,527 16,790	-	-	-
<b>Electricity &amp; Fuel Expenses</b> Manappuram Comptech and Consultants Limited	-	-	-	-	-	-	-	-	20,872
<b>Purchase of Packaged drinking water</b> Manappuram Agro Farms Ltd	8,600	-	-	-	-	8,600	-	-	25,188
<b>Waste transfer</b> Manappuram Agro Farms Ltd	30,110	-	-	-	-	30,110	-	-	-
<b>Lease Rent Received</b> Macare Dental Care Pvt Ltd Manappuram Jewellers Limited	3,60,000 32,058	-	-	-	-	3,60,000 32,058	-	-	1,20,000
<b>Rent and electricity deposit received</b> Manappuram Jewellers Limited	47,541	-	-	-	-	47,541	-	-	-



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**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**

	2016	2015
PV of past service benefit		
Current service cost	1,96,294	2,66,108
Interest cost on benefit obligation	1,25,756	1,26,542
Expected return on plan assets	(1,49,118)	(1,55,011)
Net actuarial loss/(gain) recognized in the year	1,71,712	(2,47,876)
Net (benefit) / expense	<b>3,44,644</b>	<b>(10,237)</b>

**Balance sheet :-**

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

	2016	2015
Defined benefit obligation	15,71,945	15,71,945
Fair value of plan assets	19,85,722	17,78,687
Asset/(liability) recognized in the balance sheet	<b>4,13,777</b>	<b>2,06,742</b>

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

	2016	2015
Opening defined benefit obligation	15,71,945	15,81,773
Interest cost	1,25,756	1,26,542
Current service cost	1,96,294	2,66,108
Benefits paid	61,324	1,54,602
Actuarial loss / (gain) on obligation	1,71,712	(2,47,876)
Closing defined benefit obligation	<b>20,04,383</b>	<b>15,71,945</b>

**Changes in the fair value of plan assets are as follows:**

	2016	2015
Opening fair value of plan assets	17,78,687	17,78,278
Expected return	1,49,118	1,55,011
Contributions by employer	1,19,241	-
Benefits paid	61,324	1,54,602
Actuarial gains / (losses)	-	-
Closing fair value of plan assets	<b>19,85,722</b>	<b>17,78,687</b>

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The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:	2016	2015
	%	%
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, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**ii) Provident Fund:-**The amount of Provident fund contribution charged to the Profit and loss account during the year aggregates to ₹. 17,16,701/- (Previous year - ₹.9,49,501/-).

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**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 31.03.2016

**27 COMMITMENTS AND CONTRACTS** 31-Mar-16      31-Mar-15

Contracts remaining to be executed on capital accounts	NIL	1,66,893
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**28 EXPENDITURE IN FOREIGN CURRENCY** 31-Mar-16      31-Mar-15

Expenditure in foreign currency	NIL	NIL
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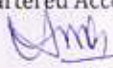
**29 CONTINGENT LIABILITIES** 31-Mar-16      31-Mar-15

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**  
 ICAI Firm Registration No: 02116S  
 Chartered Accountants


  
**Mohandas A**  
 Partner  
 Membership No.: 036726




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

  
**Dr. P.D. Prasannan**  
 Managing Director  
 DIN: 03535849


  
**Prof. K.G. Ravy**  
 Director  
 DIN: 03627048

  
**V.P. Nandakumar**  
 Director  
 DIN: 00044512

Place: Thrissur  
 Date : 03-09-2016

  
**Rameshan K**  
 Chief Executive Officer

  
**Ajith Thomas**  
 Chief Financial Officer

  
**Nithin Mohan**  
 Company Secretary