

**MANAPPURAM HEALTH CARE LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31<sup>ST</sup> MARCH 2017**



# MOHANDAS & ASSOCIATES

IIIrd Floor, "Sree Residency"  
Press Club Road, Thrissur - 1.

☎ : 0487 - 2333124, 2321290

Email : ma.auditors@gmail.com

*Our Ref.*

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Manappuram Health Care Limited

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **MANAPPURAM HEALTH CARE LIMITED** ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial statements**

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

### **Auditor's Responsibility**

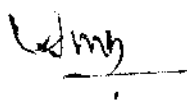
Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



Continuation sheet

## Opinion

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

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.

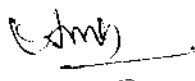
As required by Section 143 (3) of the Act, we report that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- (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.
  - iv. the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 13 of the financial statements.

**For Mohandas & Associates**

**Chartered Accountants**

**ICAI Firm Reg No: 02116S**



**Mohandas A**

**[Partner]**

**Membership No.036726**

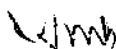
**Place: Thrissur**

**Date: 22<sup>nd</sup> September, 2017**

**The Annexure A referred to in paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of our Report of even date to the members of the Company on the accounts of the company for the year ended 31<sup>st</sup> March, 2017.**

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 not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
  - c) In our opinion and according to the information and explanations given to us, the title deed of immovable property is held in the name of the Company.
- ii)
  - a) The management has conducted the physical verification of inventory at reasonable intervals.
  - b) The discrepancies noticed on physical verification of inventory as compared to books, records which have been properly dealt with the books of account were not material.
- iii) In our opinion and according to the information and explanations given to us, 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 Companies Act, 2013 ('the Act').
- iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans, made any investments, provided any guarantees, and given any security to which the provisions of section 185 and 186 of the Companies Act, 2013 are applicable.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from the public. Therefore the Directives issued by the Reserve Bank Of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 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.
- vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the services rendered by the Company.
- vii)
  - a) According to 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, employee's state insurance, income-tax, sales-tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities wherever applicable to it.
  - b) According to the information and explanation given to us, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.

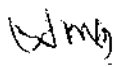


# MOHANDAS & ASSOCIATES

Continuation sheet

- viii) In our opinion and according to the information and explanation given to us, Company has not defaulted in repayment of loans or borrowing to any financial institutions, banks, Government or dues to debenture holders.
- ix) In our opinion and according to the information and explanations given to us, the Company has not obtained any term loans or raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- x) According to the information and explanation given to us, no fraud by the company or on by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, 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, 2013.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the sections 177 and 188 of the Companies Act, 2013 and the details of such transactions have been disclosed in the financial statements of the Company as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly paragraph 3 (xv) of the Order is not applicable.
- xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Mohandas & Associates**  
**Chartered Accountants**  
**ICAI Firm Reg No:02116S**



**Mohandas A**  
**[Partner]**  
**Membership No.036726**

**Place: Thrissur**  
**Date: 22<sup>nd</sup> September, 2017**

Annexure 'B' to the Independent Auditors' Report of **Manappuram Health Care Limited** for the year ended 31<sup>st</sup> March, 2017

**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 31<sup>st</sup> March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

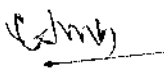
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting (the 'Guidance Note') and the Standards on Auditing (the 'Standards') 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



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

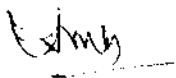
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note issued by the ICAI.

**For Mohandas & Associates****Chartered Accountants****ICAI Firm Reg No:02116S****Mohandas A****[Partner]****Membership No.036726****Place: Thrissur****Date: 22<sup>nd</sup> September, 2017**

# MANAPPURAM HEALTH CARE LIMITED

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017**

(All amounts are in Indian Rupees unless other wise stated)

EQUITY AND LIABILITIES	Notes	31-Mar-17	31-Mar-16
<b>Shareholders' funds</b>			
Share capital	3	27,61,40,100	27,61,40,100
Reserves and surplus	4	(25,95,65,194)	(23,67,54,657)
		<b>1,65,74,906</b>	<b>3,93,85,443</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	38,45,840	84,61,280
		<b>38,45,840</b>	<b>84,61,280</b>
<b>Current liabilities</b>			
Short-term borrowings	6	5,79,71,421	2,70,22,186
Trade payables	7	1,02,49,765	66,20,250
Other current liabilities	8	1,43,95,838	1,57,69,104
		<b>8,26,17,024</b>	<b>4,94,11,540</b>
<b>TOTAL</b>		<b>10,30,37,770</b>	<b>9,72,58,263</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed asset</b>			
Property, plant and equipment	9	5,93,81,171	5,99,59,344
Intangible Assets	10	2,80,480	2,01,805
Deferred tax assets (net)	11	1,00,56,617	91,11,895
Long-term loans and advances	12	1,49,02,390	1,32,27,222
		<b>8,46,20,658</b>	<b>8,25,00,266</b>
<b>Current assets</b>			
Cash and cash equivalents	14	23,89,627	4,94,314
Short-term loans and advances	12	1,45,598	14,18,703
Other current assets	13	1,58,81,886	1,28,44,980
		<b>1,84,17,112</b>	<b>1,47,57,997</b>
<b>TOTAL</b>		<b>10,30,37,770</b>	<b>9,72,58,263</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

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

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

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

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

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

**Rameshan K**  
 Chief Executive Officer

**Nithin Mohan**  
 Company Secretary

Place: Thrissur  
 Date: 22-09-2017

Place: Valappad  
 Date: 22-09-2017



# MANAPPURAM HEALTH CARE LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

( All amounts are in Indian Rupees unless other wise stated)

CONTINUING OPERATIONS	Notes	31-Mar-17	31-Mar-16
<b>INCOME</b>			
Revenue from operations	15	12,17,37,329	9,34,52,974
Other income	16	7,64,847	11,37,223
<b>Total revenue (I)</b>		<b>12,25,02,176</b>	<b>9,45,90,197</b>
<b>EXPENSES</b>			
Purchase of Traded goods	17	4,16,08,294	2,80,33,080
Changes in inventories of finished goods, work-in-progress and stock-in-trade	18	(15,08,640)	(24,45,028)
Employee benefit expenses	19	2,99,00,071	2,71,86,855
Other expenses	20	5,83,95,227	5,08,76,925
Depreciation and amortization expense	21	1,28,53,759	1,52,51,347
Finance costs	22	50,08,725	52,62,919
<b>Total Expenses (II)</b>		<b>14,62,57,435</b>	<b>12,41,66,098</b>
<b>Profit/(loss) before tax (I) - (II)</b>		<b>(2,37,55,259)</b>	<b>(2,95,75,901)</b>
<b>Tax expenses</b>			
Current tax		-	-
Deferred tax		(9,44,722)	(19,92,491)
<b>Total tax expense (III)</b>		<b>(9,44,722)</b>	<b>(19,92,491)</b>
<b>Profit/(loss) for the year (IV)</b>		<b>(2,28,10,537)</b>	<b>(2,75,83,410)</b>
<b>Earnings per equity share [nominal value of share ₹10] (Basic and Diluted)</b>	23	<b>(0.83)</b>	<b>(1.18)</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**

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 Ravi**

Director

DIN: 03627048

**V.P.Nandakumar**

Director

DIN:00044512

**Rameshan K**

Chief Executive Officer

**Nithin Mohan**

Company Secretary

Place: Thrissur

Date: 22-09-2017

Place: Valappad

Date: 22-09-2017

**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 endeavouring 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 Fourteen Micro Labs , Three Major labs and Three Eye Clinic with retail sale of optical 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, Optical & 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 as notified under the Companies Accounting Standards Rules (as amended),2016 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.

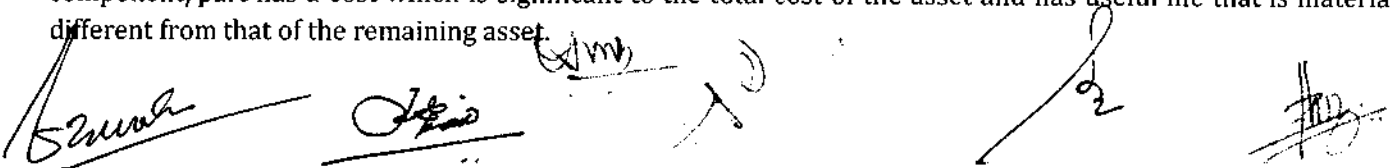
**2.3 Investments**

The company does not hold any investments during the year.

**2.4 Property, plant and equipment**

Property, plant and equipment 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.

The Company identifies and determines cost of each component/ part of the asset separately ,if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.



**2.5 Depreciation**

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**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 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 groups 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. The management has reviewed and confirmed that there are no impairment as on 31-03-2017.

**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.

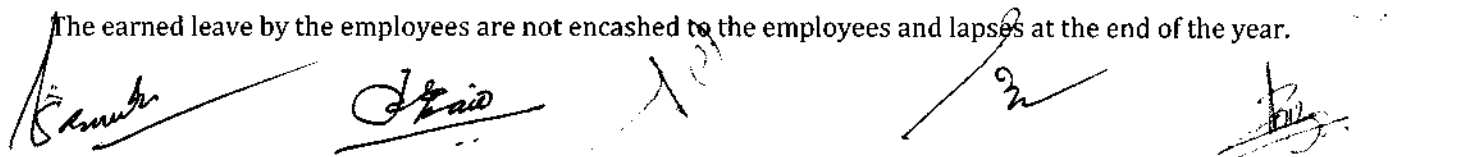
**2.9 Employees Benefits**

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 are not encashed to the employees and lapses at the end of the year.



**MANAPPURAM HEALTH CARE LIMITED**

**Notes to Financial Statements for the year ended 31-March-2017**

**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.

**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 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.

**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 in the Balance sheet comprises cash in hand, cash at bank and deposits having a maturity of three months or less.



Handwritten signatures and initials are present at the bottom of the page, including a large signature on the left, a signature in the middle, and several initials on the right.

**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 during this year.

**2.17 Inventories**

Inventories are valued at cost. The cost includes all items incurred to bring the items to its present location. The obsolete items are removed from the stock and written off as and when identified.

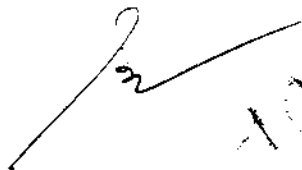
**2.18 Leases**

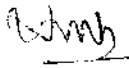

Leases where the lesser effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments in respect of non-cancellable leases are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

**2.19 Expenditure on Corporate Social Responsibilities**

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

**Manappuram Health Care Limited**

**Notes to Financial Statements for the year ended 31-March-2017**

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

**2.20 Segment Reporting**

The company has 4 segments such as (i)Pharmacy (ii)Diagnostics (iii) Opticals and (iv) Clinic as reportable revenue segments as per AS 17.

Particulars	Reportable Segments			
	Diagnostics	Pharmacy	Opticals	Clinic
Revenue	6,95,69,030	4,32,41,018	29,19,471	56,93,469
Total Expenses	7,48,65,556	4,40,43,125	1,48,33,022	1,40,24,372
Profit before tax	(52,96,526)	(8,02,106)	(1,19,13,552)	(83,30,903)
Segment Assets	9,08,13,978	76,54,075	44,53,676	1,16,042
Segment Liabilities	4,00,70,391	82,00,236	5,03,89,398	43,77,745

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten initials]*

*[Handwritten signature]*

*[Handwritten initials]*

*[Handwritten signature]*

**MANAPPURAM HEALTH CARE LIMITED**

Notes to Financial Statements for the year ended 31-March-2017

All amounts are in Indian rupees unless otherwise stated

NOTE 3		31-Mar-17	31-Mar-16
Share capital			
Authorised shares			
2,80,00,000 equity shares of ₹ 10/- each	28,00,00,000	28,00,00,000	
Issued, subscribed and fully paid-up shares			
2,76,14,010 equity shares of ₹ 10/- each	27,61,40,100	27,61,40,100	
Total issued, subscribed and fully paid-up share capital	27,61,40,100	27,61,40,100	

**3a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	31-Mar-17		31-Mar-16	
	Number	Amount	Number	Amount
Equity shares with voting rights				
Opening Balance	2,76,14,010	27,61,40,100	2,33,55,290	23,35,52,900
Fresh Issue	-	-	42,58,720	4,25,87,200
Closing Balance	2,76,14,010	27,61,40,100	2,76,14,010	27,61,40,100

*[Signature]*

*[Signature]*

*[Signature]*

*[Signature]*

*[Signature]*

*[Signature]*

**MANAPPURAM HEALTH CARE LIMITED**

**Notes to Financial Statements for the year ended 31-March-2017**

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

**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.

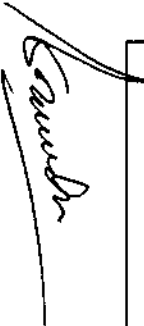
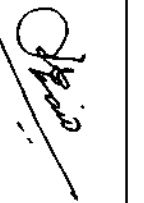




**c. Details of shareholders holding more than 5% shares in the company**

Equity shares of ₹.10 each fully paid	31-Mar-17		31-Mar-16	
	Number	% holding in the class	Number	% holding in the class
Nandakumar V P	2,75,64,510	99.82	2,75,64,510	99.82

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.

**NOTE 4**

Reserves and surplus	31-Mar-17	31-Mar-16
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	(23,67,54,657)	(20,91,71,247)
Profit for the year	(2,28,10,537)	(2,75,83,410)
Less: Appropriations	-	-
<b>Net surplus in the statement of profit and loss</b>	<b>(25,95,65,194)</b>	<b>(23,67,54,657)</b>
<b>Total reserves and surplus</b>	<b>(25,95,65,194)</b>	<b>(23,67,54,657)</b>



**Manappuram Health Care Limited**

**Notes to Financial Statements for the year ended 31-March-2017**

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

NOTE 5		Non-current portion		Current maturities	
Long-term borrowings		31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Term Loan from South Indian Bank (Refer note below)		38,45,840	84,61,280	46,15,440	46,15,440
<b>The above amount includes</b>		<b>38,45,840</b>	<b>84,61,280</b>	<b>46,15,440</b>	<b>46,15,440</b>
Secured borrowings		38,45,840	84,61,280	46,15,440	46,15,440
Amount disclosed under the head "other current liabilities" (note 7)				(46,15,440)	(46,15,440)
	<b>NET AMOUNT</b>	<b>38,45,840</b>	<b>84,61,280</b>	<b>-</b>	<b>-</b>
South Indian Bank	Term loan repayable as EMI for 78 months				
	Rate of interest	Base Rate + 2% (presently 10.25%)			
	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.			
	Margin	25% for the purpose of machinery and 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 660sqft,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			
	Balance as on 31.03.2017	84,61,280			
	Balance as on 31.03.2016	1,30,76,720			

*Sumitha*

*Sumitha*

*Sumitha*

*Sumitha*

*Sumitha*

*Sumitha*

**Manappuram Health Care Limited**

**Notes to Financial Statements for the year ended 31-March-2017**

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

NOTE 6			
Short-term borrowings		31-Mar-17	31-Mar-16
Over-Draft from South Indian Bank (Secured) (Refer note below)			
Loan from Director (Unsecured) (Refer Note 24)*		2,99,87,995	2,42,66,780
		2,79,83,426	27,55,406
<b>TOTAL</b>		<b>5,79,71,421</b>	<b>2,70,22,186</b>
<b>The above amount includes</b>			
Secured borrowings		2,99,87,995	2,42,66,780
Unsecured borrowings*		2,79,83,426	27,55,406
* Above loans are repayable on demand. Out of this ₹ 2,07,13,149 is interest free and the balance amount bears interest varying from 11% to 15%.			
<b>Details of secured loan</b>			
Bank	Rate of interest		Base Rate + 2% (presently 10.25%)
	Primary security		Hypothecation of available stock.
	Margin		Nil
	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 660sqft, 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.366/1BZ, 366/1A2D, Valappad village, Kazhimbram desham. Chavakkad thaluk in the name of Dr.Sumitha Nandan	
South Indian Bank			

*[Signature]*

*[Signature]*

*[Signature]*

*[Signature]*

*[Signature]*

*[Signature]*

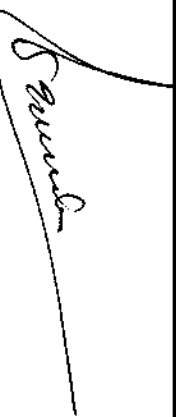
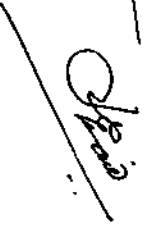
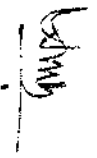



**MANAPPURAM HEALTH CARE LIMITED**

**Notes to Financial Statements for the year ended 31-March-2017**

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

NOTE 7		
	31-Mar-17	31-Mar-16
Trade Payables		
MSME		
Others	1,02,49,765	66,20,250
<b>TOTAL</b>	<b>1,02,49,765</b>	<b>66,20,250</b>

NOTE 8		
	31-Mar-17	31-Mar-16
<b>Other current liabilities</b>		
Current maturities of long-term borrowings (note 5)	46,15,440	46,15,440
Statutory Due Payable	10,58,786	8,68,703
Payable for employees	19,55,000	25,65,336
Payable for expenses	38,95,335	56,85,023
Payable for fixed assets	11,96,739	5,49,504
Audit Fee Payable	3,32,825	1,88,750
Retention	2,35,213	3,13,711
Staff account	9,90,587	9,06,503
Staff welfare fund	93,059	76,134
Advance against booking opticals	22,855	-
<b>TOTAL</b>	<b>1,43,95,838</b>	<b>1,57,69,104</b>

**MANAPPURAM HEALTH CARE LIMITED**

**Notes to Financial Statements for the year ended 31-March-2017**

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

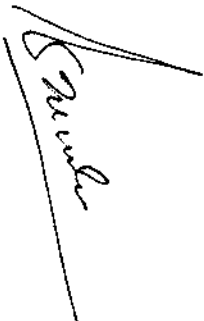

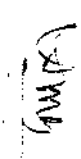



<b>8.1 Statutory Due Payable</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
VAT payable	28,048	-
EPF payable	3,16,385	3,17,410
ESI payable	69,614	61,604
TDS payable	6,44,739	4,89,689
<b>TOTAL</b>	<b>10,58,786</b>	<b>8,68,703</b>

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 2017 and 31 March 2016. 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.

**MANAPPURAM HEALTH CARE LIMITED**

Notes to Financial Statements for the year ended 31-March-2017

All amounts are in Indian rupees unless otherwise stated

**NOTE:9**

Property, Plant and Equipment	Land	Buildings	Plant and equipment	Furniture & Fixtures	Computer and accessories	Office Equipments	Vehicle	Total
<b>Cost or valuation</b>								
At 1 April 2015	-	12,43,099	4,79,51,707	5,84,78,529	33,47,395	-	5,56,651	11,15,77,381
Additions	1,02,14,500	6,00,000	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>
Additions	-	-	58,90,422	53,60,713	3,83,945	1,49,185	4,44,000	1,22,28,265
Disposals	-	-	-	-	1,775	-	1,55,000	1,56,775
<b>At 31 March 2017</b>	<b>1,02,14,500</b>	<b>18,43,099</b>	<b>5,91,49,097</b>	<b>7,25,56,084</b>	<b>43,29,494</b>	<b>3,06,686</b>	<b>8,45,651</b>	<b>14,92,44,611</b>
<b>Depreciation</b>								
At 1 April 2015	-	2,96,004	2,14,66,433	3,71,78,478	30,91,666	-	3,16,969	6,23,49,550
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>
Charge for the year	-	80,942	59,85,991	61,62,758	3,74,689	1,06,557	51,496	1,27,62,434
Disposals	-	-	-	-	1,511	-	1,11,260	1,12,771
<b>At 31 March 2017</b>	<b>-</b>	<b>4,72,011</b>	<b>3,33,18,262</b>	<b>5,18,46,038</b>	<b>37,49,947</b>	<b>1,42,211</b>	<b>3,34,970</b>	<b>8,98,63,439</b>
<b>Net Block</b>								
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
At 31 March 2017	1,02,14,500	13,71,088	2,58,30,835	2,07,10,046	5,79,547	1,64,475	5,10,681	5,93,81,171

*S. Sankar*

*Q.P.P.*

*(M.M.V.)*

*S.*

*T.S.*

*M.S.*

**MANAPPURAM HEALTH CARE LIMITED**

**Notes to Financial Statements for the year ended 31-March-2017**

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

<b>NOTE :10</b>			
<b>Intangible Assets</b>	<b>Computer software</b>	<b>Total</b>	
<b>Gross block</b>			
At 1 April 2015	4,56,824	4,56,824	
Purchase	1,06,000	1,06,000	
<b>At 31 March 2016</b>	<b>5,62,824</b>	<b>5,62,824</b>	
Purchase	1,70,000	1,70,000	
<b>At 31 March 2017</b>	<b>7,32,824</b>	<b>7,32,824</b>	
<b>Amortization</b>			
At 1 April 2015	2,64,637	2,64,637	
Charge for the year	96,382	96,382	
<b>At 31 March 2016</b>	<b>3,61,019</b>	<b>3,61,019</b>	
Charge for the year	91,325	91,325	
<b>At 31 March 2017</b>	<b>4,52,344</b>	<b>4,52,344</b>	
<b>Net block</b>			
<b>At 31 March 2016</b>	<b>2,01,805</b>	<b>2,01,805</b>	
<b>At 31 March 2017</b>	<b>2,80,480</b>	<b>2,80,480</b>	

*Signature*

*Signature*

*(M)*

*Signature*

*Signature*

*Signature*

**MANAPPURAM HEALTH CARE LIMITED**

**Notes to Financial Statements for the year ended 31-March-2017**

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

<b>NOTE :11</b>		
<b>Deferred tax assets (net)</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
<b>Deferred tax asset at the beginning of the year</b>	<b>91,11,895</b>	<b>71,19,404</b>
<b>Deferred tax asset in the current year:</b>		
Property, plant and equipments: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting period.	9,41,343	18,99,791
Impact of expenditure charged to the statement of profit and loss account	3,379	92,700
<b>Net deferred tax asset</b>	<b>1,00,56,617</b>	<b>91,11,895</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.

*Saurabh* *Sharma* *Vijay*

*[Signature]* *[Signature]*

**MANAPPURAM HEALTH CARE LIMITED**

**Notes to Financial Statements for the year ended 31-March-2017**

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


**NOTE :12**

	Non-current		Current	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
<b>Loans and Advances</b>				
<b>Deposits</b>				
Rent and Electricity deposits	1,26,01,891	1,09,51,723	-	-
Telephone Deposit	5,499	5,499	-	-
National Saving Certificates (Pledged with Sales Tax Authorities)	95,000	70,000	-	-
Security Deposit with Manappuram Comptech & Consultants Limited*	22,00,000	22,00,000	-	-
<b>Advances</b>				
Capital advances (Unsecured, considered good)	1,49,02,390	1,32,27,222	-	-
Prepaid Expense	-	-	1,00,000	13,48,150
			45,598	70,553
<b>TOTAL</b>	<b>1,49,02,390</b>	<b>1,32,27,222</b>	<b>1,45,598</b>	<b>14,18,703</b>

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

Particulars of Loans and Advances:-	31-Mar-17		31-Mar-16	
Loans and advances considered good in respect of which the company is fully secured		95,000		70,000
Loans and advances considered good and unsecured		1,49,52,988		1,45,75,925
Loans and advances considered bad or doubtful		NIL		NIL
Loans and advances due by Directors or Officers or any of them either severally or jointly with others		NIL		NIL
Loans and advances due by Companies under the same management		NIL		NIL
Loans and advances due by Firms or Private Companies in which any Director is a Partner or a Director or a Member		NIL		NIL
Maximum amount due by Directors or Officers at any time during the year		NIL		NIL









**MANAPPURAM HEALTH CARE LIMITED**

**Notes to Financial Statements for the year ended 31-March-2017**

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

NOTE:13	Non-current		Current	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
<b>Other Assets</b>				
Closing Stock	-	-	69,50,221	54,41,581
-Finished goods	-	-	36,13,487	38,46,794
-Consumables	-	-	36,00,873	32,01,055
Trade Receivables	13.1	-	38,737	29,286
Interest accrued on National Saving Certificate	-	-	16,78,568	3,26,264
Tax Deducted at Source	-	-	-	-
<b>TOTAL</b>	-	-	<b>1,58,81,886</b>	<b>1,28,44,980</b>

13.1 Trade Receivables	Current	
	31-Mar-17	31-Mar-16
Trade Receivable outstanding for a period exceeding six months from the date they are due for payment.	75,956	45,170
Other Trade Receivables	35,24,918	31,55,885
<b>TOTAL</b>	<b>36,00,873</b>	<b>32,01,055</b>
a) Trade receivables secured and considered good	-	-
b) Trade receivables unsecured and considered good	36,00,873	32,01,055
c) Trade receivables bad or doubtful	-	-

*Santhosh*

*Q.P.*

*Amr*

*[Signature]*

*[Signature]*

*[Signature]*

**MANAPPURAM HEALTH CARE LIMITED**

**Notes to Financial Statements for the year ended 31-March-2017**

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

**NOTE :14**

	Non-current		Current	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
<b>Cash and cash equivalents</b>				
<b>Cash in hand</b>	-	-	4,60,174	1,79,584
<b>Balances with banks:</b>				
On current accounts	-	-	19,29,453	3,14,730
Deposit with original maturity of less than 3 months	-	-	-	-
<b>TOTAL</b>	-	-	<b>23,89,627</b>	<b>4,94,314</b>

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNS and other notes as per the notification is given below:

Particulars	SBNS	Other denomination	Total
Closing cash in hand as on November 8, 2016	1,91,500	45,607	2,37,107
Add: Non Permitted receipts	14,000	-	14,000
Add: Permitted receipts	-	1,99,31,039	1,99,31,039
Less: Permitted payments	-	1,06,64,287	1,06,64,287
Less: Amount deposited in Banks	2,05,500	90,38,625	92,44,125
Closing cash in hand as on December 30, 2016	-	2,73,734	2,73,734

Non permitted receipts/payments presented in the table above represents cash collection/payments made from/to customers at the company's branches against sale of services/ All these receipts/payments have been deposited by the company in the bank accounts as per normal operating policies and procedures.







**MANAPPURAM HEALTH CARE LIMITED****Notes to Financial Statements for the year ended 31-March-2017****All amounts are in Indian rupees unless otherwise stated**

<b>NOTE :15</b>		
<b>Revenue from operations</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
<b>Revenue from sales</b>		
Medicines and other allied products	4,38,04,568	2,84,99,799
OTC Products	88,96,826	47,90,026
	<b>5,27,01,394</b>	<b>3,32,89,825</b>
Less : Returns		
Medicines and other allied products	7,48,499	5,65,679
OTC Products	1,16,557	1,32,995
Other deductions	-	72,829
Less : Discount Allowed	56,75,849	34,44,450
<b>Net Sales</b>	<b>4,61,60,489</b>	<b>2,90,73,872</b>
<b>Revenue from services</b>		
Consultation charges received	52,49,634	39,28,149
Registration fees	1,91,344	1,14,372
Treatment charges	2,52,491	1,27,385
<b>TOTAL (B)</b>	<b>56,93,469</b>	<b>41,69,906</b>
<b>Diagnostics Income</b>		
Lab income	7,43,63,116	6,53,27,284
Less: Discount Allowed	47,94,086	53,62,348
<b>TOTAL (C)</b>	<b>6,95,69,030</b>	<b>5,99,64,936</b>
<b>Other operating revenue</b>		
Discount Received	3,14,340	2,44,260
<b>TOTAL (D)</b>	<b>3,14,340</b>	<b>2,44,260</b>
<b>GRAND TOTAL (A+B+C+D)</b>	<b>12,17,37,329</b>	<b>9,34,52,974</b>

**NOTE :16**

<b>Other income</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
Interest on National Savings Certificate	9,451	7,518
Interest on Electricity Deposit	87,307	81,869
Rent received from Macare Dental Care Pvt Ltd	3,60,000	3,60,000
Other non-operating income	3,06,578	6,87,836
Profit on sale of asset	1,511	-
<b>TOTAL</b>	<b>7,64,847</b>	<b>11,37,223</b>

**MANAPPURAM HEALTH CARE LIMITED****Notes to Financial Statements for the year ended 31-March-2017****All amounts are in Indian rupees unless otherwise stated**

<b>NOTE :17</b>		
<b>Purchase of Traded Goods</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
Purchase :-		
Medicines and other allied products (A1)	3,55,45,042	2,44,46,866
OTC Products (B1)	69,68,688	44,27,694
	<b>4,25,13,729</b>	<b>2,88,74,560</b>
Less Purchase returns :-		
Medicines and other allied products (A2)	5,61,929	3,13,850
OTC Products (B2)	79,263	40,878
	<b>6,41,193</b>	<b>3,54,728</b>
Less: Consumption for own use:-		
Medicines and other allied products (A3)	13,177	1,08,453
OTC Products (B3)	87,332	2,42,327
	<b>1,00,508</b>	<b>3,50,780</b>
Less: Discount (B4)	1,63,735	1,35,972
<b>Net Purchase:-</b>		
Medicines and other allied products (A1-A2-A3)	3,49,69,936	2,40,24,563
OTC Products (B1-B2-B3-B4)	66,38,358	40,08,517
<b>TOTAL</b>	<b>4,16,08,294</b>	<b>2,80,33,080</b>
<b>NOTE :18</b>		
<b>Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
Inventories at the end of the year		
-Finished Goods	69,50,221	54,41,581
(A)	<b>69,50,221</b>	<b>54,41,581</b>
Inventories at the beginning of the year		
-Finished Goods	54,41,581	29,96,553
(B)	<b>54,41,581</b>	<b>29,96,553</b>
<b>Net ( Increase)/Decrease (A-B)</b>	<b>(15,08,640)</b>	<b>(24,45,028)</b>

**Manappuram Health Care Limited****Notes to Financial Statements for the year ended 31-March-2017****All amounts are in Indian rupees unless otherwise stated**

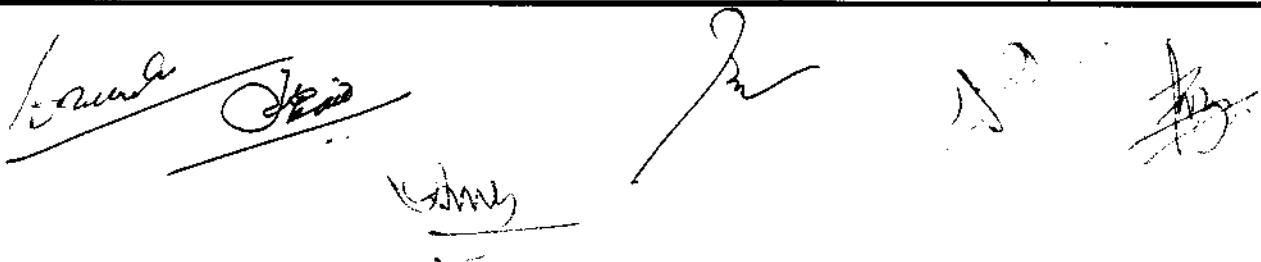
<b>NOTE :19</b>		
<b>Employee benefit expense</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
Salaries, wages and bonus	2,69,02,921	2,42,22,045
EPF Contribution	20,33,032	17,16,701
ESI Contribution	5,85,189	4,60,520
Gratuity expense	2,43,312	5,08,789
EDLI	1,25,464	60,000
Staff welfare expenses	10,153	11,600
Staff recruitment and training	-	2,07,200
<b>TOTAL</b>	<b>2,99,00,071</b>	<b>2,71,86,855</b>
<b>NOTE :20</b>		
<b>Other expenses</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
Advertising and sales promotion	24,06,717	20,38,902
Bad and doubtful debts	16,40,872	7,90,745
Commission	32,514	1,64,594
Consultation Charges	82,89,927	73,77,761
Consumables	1,70,34,847	1,37,72,526
Electricity Charges	21,93,013	24,47,842
Fuel Expenses	4,01,527	3,47,113
Inaugural Expenses	64,297	32,126
Insurance	1,22,574	20,710
IT Support cost	21,18,228	20,17,748
Legal Charges	21,072	-
Loss on sale of assets	15,740	1,96,262
Medical Camp Expenses	494	49,813
Meeting Expenses	48,345	3,976
Membership and Subscription	16,510	11,749
Office Expenses	7,62,014	7,13,479
Outside lab charges	15,97,585	10,47,919
Payment to auditor (Refer details below)	1,77,250	1,87,250
Postage	7,288	16,519
Printing and stationery	13,09,802	19,49,326
Rent	73,32,529	64,51,321
Repairs and maintenance	28,82,068	37,09,821
Round off	1,484	1,237
Security charges	-	31,993
Sitting fees to Directors	2,54,250	3,19,900
Stipend to trainees	3,97,380	5,14,818
Tax and fees	3,21,550	6,39,004
Telephone Expenses	10,90,611	10,43,644
Travelling and conveyance	78,54,741	49,78,827
<b>TOTAL</b>	<b>5,83,95,227</b>	<b>5,08,76,925</b>

**Manappuram Health Care Limited**

**Notes to Financial Statements for the year ended 31-March-2017**

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

<b>NOTE :20</b>		
<b>Other expenses(Contd..)</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
<b>Payment to auditor</b>		
<b>As auditor:</b>		
Audit fee	1,25,000	1,43,750
Tax audit fee	35,000	34,500
Sales Tax Audit Fee	17,250	-
<b>In other capacity:</b>		
Taxation matters	-	-
Company law matters	-	-
Management services	-	-
Other services (certification fees)	-	-
Reimbursement of expenses	-	9,000.00
<b>TOTAL</b>	<b>1,77,250</b>	<b>1,87,250</b>
<b>NOTE :21</b>		
<b>Depreciation and amortization expense</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
Depreciation of Property,plant and equipments	1,27,62,434	1,51,54,965
Amortization of intangible assets	91,325	96,382
<b>TOTAL</b>	<b>1,28,53,759</b>	<b>1,52,51,347</b>
<b>NOTE :22</b>		
<b>Finance costs</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
<b>Interest</b>		
on Borrowings	47,99,752	51,72,868
on Trade Payables	3,640	8,705
on delayed / deferred payment of income tax	210	-
Bank Charges	2,05,123	81,346
<b>TOTAL</b>	<b>50,08,725</b>	<b>52,62,919</b>



**Manappuram Health Care Limited**

**Notes to Financial Statements for the year ended 31-March-2017**

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

NOTE :23			
Earnings per share (EPS)	31-Mar-17		31-Mar-16
	Profit/(loss) after tax	(2,28,10,537)	(2,75,83,410)
Net profit/(loss) for calculation of basic and diluted EPS	(2,28,10,537)	(2,75,83,410)	
Weighted average number of equity shares in calculating basic and diluted EPS (B)	2,76,14,010	2,33,78,625	
Earnings Per Share (A/B) (Basic and Diluted)	(0.83)	(1.18)	

*Per auditor*

*Chennai*

*Chennai*

*[Signature]*

*[Signature]*

*[Signature]*

**Manappuram Health Care Limited**

**Notes to Financial Statements for the year ended 31-March-2017**

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

**NOTE: 24 Related party transactions**

**Names of related parties**

**Key Management Personnel / Directors**

Dr.P.D.Prasannaan  
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 Construction and Properties Limited  
Manappuram Foundations (Charitable Trust)  
V P Nandakumar  
Finance Industry Development Council  
Manappuram Agro Farms Limited  
Manappuram Chits (Andhra) Private Limited  
Adlux Medicity and Convention Centre Private Limited  
Adlux International Convention and Exhibition Centre Private Limited  
Manappuram Home Finance Limited  
Manappuram Insurance Brokers Private Limited

**Names of related parties**

**Relatives of key management personnel**

Dr.Athira Prasannaan

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





**Manappuram Health Care Limited**

Notes to Financial Statements for the year ended 31-March-2017

All amounts are in Indian rupees unless otherwise stated

Particulars	Associates / Enterprises owned or significantly influenced by key personnel/Directors or their relatives		Key Management Personnel/Directors	Relatives of key management personnel/Directors	Total
	31-Mar-17	31-Mar-16			
<b>Salaries &amp; Allowances Paid</b>					
Dr.P.D.Prasanna	-	-	31,75,000	28,83,400	31,75,000
<b>Sitting Fees Paid</b>					
V.P.Nandakumar	-	-	1,95,000	3,05,000	1,95,000
Sushama Nandakumar	-	-	20,000	25,000	20,000
Prof.K.G.Ravi	-	-	20,000	15,000	20,000
CA Mahadevan,N.V	-	-	15,000	20,000	15,000
Dr. E. Mohandas	-	-	1,20,000	1,25,000	1,20,000
<b>Rent Paid</b>					
Mr.V.P.Nandakumar	60,000	-	1,13,850	1,08,900	1,73,850
Manappuram Agro Farms Ltd	-	-	1,13,850	1,08,900	1,13,850
<b>Interest Paid on Loans</b>					
Mr.V.P.Nandakumar	-	-	1,22,818	-	1,22,818
<b>Travelling Expense to Directors</b>					
CA Mahadevan,N.V	-	-	35,000	45,000	35,000
Dr. E.Mohandas	-	-	15,000	25,000	15,000
	-	-	20,000	20,000	20,000
<b>Insurance (Medi claim)</b>					
Dr. P D Prasanna	-	-	6,095	3,673	6,095
	-	-	6,095	3,673	6,095
<b>IT Support Cost</b>					
Manappuram Comptech and Consultants Ltd	21,18,228	20,17,748	-	-	21,18,228
	21,18,228	20,17,748	-	-	21,18,228

*Scanned*

*Q802*

*41W*

*417*

*417*





**Manappuram Health Care Limited**

**Notes to Financial Statements for the year ended 31-March-2017**

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

<b>Accounts Payable</b>	<b>11,08,963</b>	<b>10,14,074</b>	-	-	-	-	-	<b>11,08,963</b>	<b>10,14,074</b>
Manappuram Comptech and Consultants Ltd	10,10,890	3,86,755	-	-	-	-	-	10,10,890	3,86,755
Manappuram Agro Farms Ltd	17,617	1,400	-	-	-	-	-	17,617	1,400
Manappuram Construction and Properties Ltd	80,456	5,95,919	-	-	-	-	-	80,456	5,95,919
Manappuram Chit fund Company Limited	-	30,000	-	-	-	-	-	-	30,000
<b>Electricity Charges Receivable</b>	<b>4,86,420</b>	-	-	-	-	-	-	<b>4,86,420</b>	-
Macare Dental Care Pvt Ltd	4,86,420	-	-	-	-	-	-	4,86,420	-
<b>Rent Receivable</b>	<b>64,666</b>	-	-	-	-	-	-	<b>64,666</b>	-
Macare Dental Care Pvt Ltd	60,000	-	-	-	-	-	-	60,000	-
Manappuram Chits (India) Ltd	4,666	-	-	-	-	-	-	4,666	-

*[Signature]*

*[Signature]*

*[Signature]*

*[Signature]*

*[Signature]*

*[Signature]*

**Manappuram Health Care Limited**

**Notes to Financial Statements for the year ended 31-March-2017**

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

**NOTE:25 - Employment benefits disclosures:**

**1) 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 summarizes 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.

<b>Profit and Loss account :-</b>	
Net employee benefit expense	
<b>Particulars</b>	
	<b>2017</b>
PV of past service benefit	1,93,273
Current service cost	1,60,351
Interest cost on benefit obligation	1,25,756
Expected return on plan assets	(1,49,118)
Net actuarial loss/(gain) recognized in the year	-2,16,488
Net (benefit) / expense	<b>-20,497</b>
	<b>2016</b>
PV of past service benefit	1,96,294
Current service cost	1,25,756
Interest cost on benefit obligation	1,25,756
Expected return on plan assets	(1,49,118)
Net actuarial loss/(gain) recognized in the year	1,71,712
Net (benefit) / expense	<b>3,44,644</b>

<b>Balance sheet :-</b>	
Reconciliation of present value of the obligation and the fair value of plan assets:	
<b>Particulars</b>	
	<b>2017</b>
Defined benefit obligation	18,90,871
Fair value of plan assets	22,62,973
Asset/(liability) recognized in the balance sheet	<b>3,72,102</b>
	<b>2016</b>
Defined benefit obligation	15,71,945
Fair value of plan assets	19,85,722
Asset/(liability) recognized in the balance sheet	<b>4,13,777</b>

*S. Suresh*

*Director*

*Adm*

*[Signature]*

*[Signature]*

*[Signature]*

**Manappuram Health Care Limited**

**Notes to Financial Statements for the year ended 31-March-2017**

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

Changes in the present value of the defined benefit obligation are as follows:		
Particulars	2017	2016
Opening defined benefit obligation	20,04,383	15,71,945
Interest cost	1,60,351	1,25,756
Current service cost	1,93,273	1,96,294
Benefits paid	2,50,846	61,324
Actuarial loss / (gain) on obligation	-2,16,488	1,71,712
Closing defined benefit obligation	<b>18,90,673</b>	<b>20,04,383</b>

Changes in the fair value of plan assets are as follows:		
Particulars	2017	2016
Opening fair value of plan assets	19,85,722	17,78,687
Expected return	1,57,633	1,49,118
Contributions by employer	3,70,266	1,19,241
Benefits paid	2,50,846	61,324
Actuarial gains / (losses)	-	-
Closing fair value of plan assets	<b>22,62,775</b>	<b>19,85,722</b>

**The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:**

Particulars	2017	2016
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 ₹ 20,33,032/- (Previous year - ₹ 17,16,701/-).

*(Signatures)*

**Manappuram Health Care Limited**

**Notes to Financial Statements for the year ended 31-March-2017**

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

**26 LEASE**

Operating Lease :- All operating leases entered into by the company are cancellable on giving notice of shorter duration .The future minimum lease payments of the company are as follows:-

- a) Not later than 1 year : ₹ 65,82,714/-
- b) Later than 1 year and not later than 5 year : ₹ 2,78,27,822/-
- c) Above 5 years : ₹ 52,68,147 /-

The lease payment recognized in the statement of profit and loss during the year is ₹ 73,32,529 /-

Financial Lease :- The Company has no Financial Lease during the year.

**27 IMPAIRMENT OF ASSETS**

Property,plant and equipment 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 31.03.2017

**28 COMMITMENTS**

	31-Mar-17	31-Mar-16
1 Claims against the Company not acknowledged as debt	NIL	NIL
2 Estimated amount of contract remaining to be executed on capital account and not provided for	NIL	NIL
3 Contingent liability	NIL	NIL
5 Expenditure on foreign currency	NIL	NIL
6 Earnings in foreign currency	NIL	NIL

**29 COMPARATIVES**

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**

Chartered Accountants

ICAI Firm Registration No: 02116S

**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 Ravi**

Director

DIN: 03627048

**V.P.Nandakumar**

Director

DIN:00044512

**Rameshan K**

Chief Executive Officer

**Nithin Mohan**

Company Secretary

Place: Thrissur

Date: 22-09-2017

Place: Valappad

Date: 22-09-2017

**MANAPPURAM HEALTH CARE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**  
*(All amounts are in Indian Rupees unless other wise stated)*

	31-Mar-17	31-Mar-16
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>(2,37,55,259)</b>	<b>(2,95,75,901)</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Provision for doubtful assets	-	(34,187)
Depreciation and amortization	1,28,53,759	1,52,51,347
Loss on sale of fixed assets	15,740	1,96,262
Profit on sale of fixed assets	(1,511)	-
Interest /Dividend income	(96,758)	(89,387)
Interest Expense	47,99,752	19,04,293
<b>Operating profit before working capital changes</b>	<b>(61,84,278)</b>	<b>(1,23,47,573)</b>
Movements in working capital :		
Increase/ (decrease) in other current liabilities & Provisions	22,56,249	1,00,27,015
Decrease / (increase) in long-term loans and advances	(16,75,168)	(42,37,570)
Decrease / (increase) in short-term loans and advances	12,73,105	(7,82,734)
Decrease / (increase) in other current assets	(30,36,906)	(18,87,110)
Cash generated from / (used in) operations	<b>(73,66,998)</b>	<b>(92,27,972)</b>
Direct taxes paid (net of refunds)	-	-
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(73,66,998)</b>	<b>(92,27,972)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including CWIP and capital advances	(1,23,98,265)	(2,62,91,740)
Sale of fixed assets	29,775	1,03,000
Interest received	96,758	89,387
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(1,22,71,731)</b>	<b>(2,60,99,353)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	-	4,25,87,200
Interest paid	(47,99,752)	(19,04,293)
Short-term borrowings	3,09,49,235	(6,42,967)
Long Term borrowings	(46,15,440)	(46,15,440)
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>2,15,34,043</b>	<b>3,54,24,500</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>18,95,313</b>	<b>97,175</b>
Cash and cash equivalents at the beginning of the year	4,94,314	3,97,139
<b>Cash and cash equivalents at the end of the year</b>	<b>23,89,627</b>	<b>4,94,314</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	4,60,174	1,79,584
With banks - on current account	19,29,453	3,14,730
- on deposit account	-	-
<b>Total cash and cash equivalents (Note 13)</b>	<b>23,89,627</b>	<b>4,94,314</b>

As per our report of even date  
**For Mohandas & Associates**  
Chartered Accountants  
ICAI Firm Registration No: 02116S

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

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

**Rameshan K**  
Chief Executive Officer

Place: Thrissur  
Date: 22-09-2017

Place: Valappad  
Date: 22-09-2017

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

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

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

**Nithin Mohan**  
Company Secretary