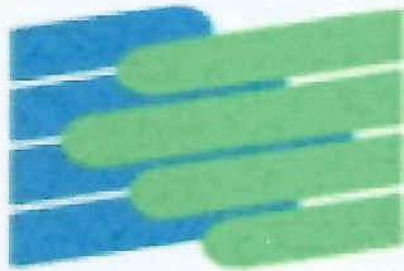


# MANAPPURAM HEALTH CARE LIMITED



## AUDIT REPORT 2017-18



**Manikandan & Associates**  
Chartered Accountants



## Independent Auditors' 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 March 31, 2018, and the Statement of Profit and Loss for the year then ended, the Cash Flow Statement for the year ended March 31<sup>st</sup> 2018 and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation 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.

### **Auditors' 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 there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial 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 said financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2018; and
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on March 31<sup>st</sup>, 2018; and
- (c) Its Cash Flow Statement for the year ended 31<sup>st</sup> March 2018.

## **Emphasis of Matters**

Nil

## **Report on other legal and regulatory requirements**

(1) 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 Companies Act, 2013, we give in the Annexure 1, statement on the matters specified in paragraphs 3 and 4 of the order to the extent applicable.

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

- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books of account;
- (c) In our Opinion, the Company has no independent branches and hence there is no need to prepare report on the accounts of Branch Office of the company audited under sub-section (8).
- (d) The Balance Sheet and Statement of Profit and Loss and Cash Flow statement dealt with by this report are in agreement with the books of account;
- (e) In our opinion, the Balance Sheet and Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in section 133 of the Act read with rule 7 of Companies (Accounts) Rules, 2014; and
- (f) In our opinion, the comments or observations don't have any adverse effect on functioning of the company.
- (g) On the basis of written representations received from the directors as at March 31, 2018, and taken on record by the Board of Directors, we report that none of the directors is disqualified as at March 31, 2018, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.
- (i) With respect to the matters to be included in the Auditor' 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:

**Annexure 1 to the Independent Auditors' Report of  
Manappuram Health Care Limited  
as of and for the year ended March 31, 2018  
(referred to in our report of even date)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) The title deed of the immovable property is held in the name of the company.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. There are no material discrepancies between the book records and the physical stocks have been noticed.
- (iii) (a) The Company has not granted any loans, secured or unsecured, to Companies or firms covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'), except temporary advances of which the terms & conditions are not prejudicial to the interest of the company.
- (b) The provisions of Paragraph 3 (iii)(b) of the Companies (Auditors Report) order, 2017 as amended is not applicable to the company.
- (iv) The company has not granted any loans, investments, guarantees, and security covered under the provisions of section 185 and 186 of the Companies Act, 2013 and hence this clause is not applicable to the company.
- (v) The Company has not accepted any deposits from the public as per the provisions of sections 73 to 76 of the Companies Act and the rules framed there under. Hence this clause is not applicable to the Company.
- (vi) The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any services rendered by the company.
- (vii) (a) According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues.
- (b) According to the information and explanations given to us, there are no dues outstanding of income tax, sales tax, customs duty, service tax, excise duty and cess on account of any dispute.

- (viii) The Company has no defaulted in repayment of loans or borrowing to any financial institutions, banks, Government or dues to debenture holders.
- (ix) The company has not raised any money by way of public offer or further public offer including debt instruments and term loans and hence this clause is not applicable.
- (x) There are no instances of fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi) 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) The company is not a Nidhi company and hence paragraph 3(xii) of Companies (Auditors Report) order, 2016 is not applicable to the company.
- (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) 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) The company has not entered into any non cash transactions with Directors or persons connected with him.
- (xvi) The company is not required to register under Section 45 IA of the Reserve Bank of India Act, 1934 .

For, MANIKANDAN & ASSOCIATES  
  
MANIKANDAN  
(PARTNER)  
CHARTERED ACCOUNTANTS  
MEMBERSHIP No.208654  
FIRM.No.008520S



Place : Chalakudy  
Dated : 30-08-2018

**Annexure 2****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 Healthcare Limited (the company) as of 31 March, 2018 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, 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 the 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 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 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 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 controls 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 system over financial reporting and such internal controls over financial reporting were operating effectively as at 31st March, 2018, 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 Institute of Chartered Accountants of India.

For, MANIKANDAN & ASSOCIATES



MANIKANDAN  
(PARTNER)

CHARTERED ACCOUNTANTS

MEMBERSHIP No.208654

FIRM.No.008520S

Place :Chalaky

Dated: 30-08-2018

# MANAPPURAM HEALTH CARE LIMITED

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2018

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

EQUITY AND LIABILITIES	Notes	31-Mar-18	31-Mar-17
<b>Shareholders' funds</b>			
Share capital	3	27,61,40,100	27,61,40,100
Reserves and surplus	4	(27,42,52,210)	(25,95,65,194)
		<b>18,87,890</b>	<b>1,65,74,906</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	-	38,45,840
		-	<b>38,45,840</b>
<b>Current liabilities</b>			
Short-term borrowings	6	6,84,76,698	5,79,71,421
Trade payables	7	1,33,90,903	1,02,49,765
Other current liabilities	8	1,19,85,818	1,43,95,838
Short-term Provisions	9	4,64,815	
		<b>9,43,18,234</b>	<b>8,26,17,024</b>
<b>TOTAL</b>		<b>9,62,06,124</b>	<b>10,30,37,770</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed asset</b>			
Property, plant and equipment	10	4,82,73,019	5,93,81,171
Intangible Assets	11	2,97,520	2,80,480
Deferred tax assets (net)	12	1,07,93,317	1,00,56,617
Long-term loans and advances	13	1,59,59,491	1,49,02,390
		<b>7,53,23,347</b>	<b>8,46,20,658</b>
<b>Current assets</b>			
Cash and cash equivalents	15	42,53,187	23,89,627
Short-term loans and advances	13	4,35,346	1,45,598
Other current assets	14	1,61,94,244	1,58,81,886
		<b>2,08,82,777</b>	<b>1,84,17,112</b>
<b>TOTAL</b>		<b>9,62,06,124</b>	<b>10,30,37,770</b>

Summary of significant accounting policies 2

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

For and on behalf of the board



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

**Pro.K G Ravi**  
Director  
DIN:0362704



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

As per our Report of even date attached  
For, **MANIKANDAN & ASSOCIATES**

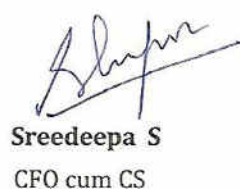


**MANIKANDAN. C.K.**  
(PARTNER) REGISTERED ACCOUNTANTS

**CHARTERED ACCOUNTANTS**  
MEMBERSHIP No.208654  
FIRM REG No.008520S



**Rameshan K**  
CEO



**Sreedeepta S**  
CFO cum CS

Place: Valapad

Date: 30-08-2018



## MANAPPURAM HEALTH CARE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018

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

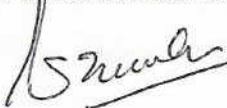
PARTICULARS	Notes	31-Mar-18	31-Mar-17
<b>INCOME</b>			
Revenue from operations	16	12,63,92,472	12,17,37,329
Other income	17	14,04,959	7,64,847
<b>Total revenue (I)</b>		<b>12,77,97,431</b>	<b>12,25,02,176</b>
<b>EXPENSES</b>			
Purchase of Traded goods	18	3,61,70,281	4,16,08,294
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	(97,396)	(15,08,640)
Employee benefit expenses	20	2,92,57,377	2,99,00,071
Other expenses	21	6,22,89,365	5,83,95,227
Depreciation and amortization expense	22	1,12,98,080	1,28,53,759
Finance costs	23	43,03,440	50,08,725
<b>Total Expenses (II)</b>		<b>14,32,21,147</b>	<b>14,62,57,435</b>
<b>Profit/(loss) before tax (I) - (II)</b>		<b>(1,54,23,716)</b>	<b>(2,37,55,259)</b>
<b>Tax expenses</b>			
Current tax		-	-
Deferred tax		(7,36,700)	(9,44,722)
<b>Total tax expense (III)</b>		<b>(7,36,700)</b>	<b>(9,44,722)</b>
<b>Profit/(loss) for the year (IV)</b>		<b>(1,46,87,016)</b>	<b>(2,28,10,537)</b>
<b>Earnings per equity share</b> [nominal value of share ₹10] (Basic and Diluted)	24	<b>(0.53)</b>	<b>(0.83)</b>

Summary of significant accounting policies

2

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

For and on behalf of the board



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



**Pro.K G Ravi**  
Director  
DIN:0362704



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



**Rameshan K**  
CEO



**Sreedeepta S**  
CFO cum CS

As per our Report of even date attached  
For, **MANIKANDAN & ASSOCIATES**



**MANIKANDAN & ASSOCIATES**  
(PARTNER)  
CHARTERED ACCOUNTANTS  
MEMBERSHIP No. 208654  
FIRM REG No.008520S

Place: Valapad

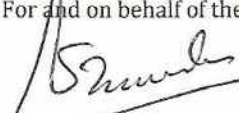
Date: 30-08-2018

**MANAPPURAM HEALTH CARE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**


(All amounts are in Indian Rupees unless otherwise stated)

	31-Mar-18	31-Mar-17
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>(1,54,23,716)</b>	<b>(2,37,55,259)</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Provision for doubtful assets	-	-
Depreciation and amortization	1,12,98,080	1,28,53,759
Loss on sale of fixed assets	-	15,740
Profit on sale of fixed assets	-	(1,511)
Interest /Dividend income	(73,441)	(96,758)
Interest Expense	39,77,623	47,99,752
<b>Operating profit before working capital changes</b>	<b>(2,21,454)</b>	<b>(61,84,278)</b>
Movements in working capital :		
Increase/ (decrease) in other current liabilities & Provisions	11,95,933	22,56,249
Decrease / (increase) in long-term loans and advances	(10,57,101)	(16,75,168)
Decrease / (increase) in short-term loans and advances	(2,89,748)	12,73,105
Decrease / (increase) in other current assets	(3,12,358)	(30,36,906)
Cash generated from / (used in) operations	<b>(6,84,728)</b>	<b>(73,66,998)</b>
Direct taxes paid (net of refunds)	-	-
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(6,84,728)</b>	<b>(73,66,998)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including CWIP and capital advances	(2,06,967)	(1,23,98,265)
Sale of fixed assets	-	29,775
Interest received	73,441	96,758
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(1,33,526)</b>	<b>(1,22,71,731)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	-	-
Interest paid	(39,77,623)	(47,99,752)
Short-term borrowings	1,05,05,277	3,09,49,235
Long Term borrowings	(38,45,840)	(46,15,440)
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>26,81,814</b>	<b>2,15,34,043</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>18,63,560</b>	<b>18,95,313</b>
Cash and cash equivalents at the beginning of the year	23,89,627	4,94,314
<b>Cash and cash equivalents at the end of the year</b>	<b>42,53,187</b>	<b>23,89,627</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	2,90,182	4,60,174
With banks - on current account	39,63,005	19,29,453
- on deposit account	-	-
<b>Total cash and cash equivalents (Note 15)</b>	<b>42,53,187</b>	<b>23,89,627</b>

For and on behalf of the board

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

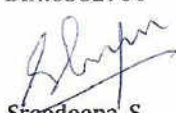
  
**Pro.K G Ravi**  
 Director  
 DIN:0362704

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

As per our Report of even date attached  
 For. MANIKANDAN AND ASSOCIATES

  
**MANIKANDAN. C.K.**  
 (PARTNER)  
 CHARTERED ACCOUNTANTS  
 MEMBERSHIP No.208654  
 FIRM REG No. 0085208

  
**Rameshan K**  
 CEO

  
**Sreedeepta S**  
 CFO cum CS

Place: Valapad  
 Date: 30-08-2018

**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 31-03-2018.

**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.

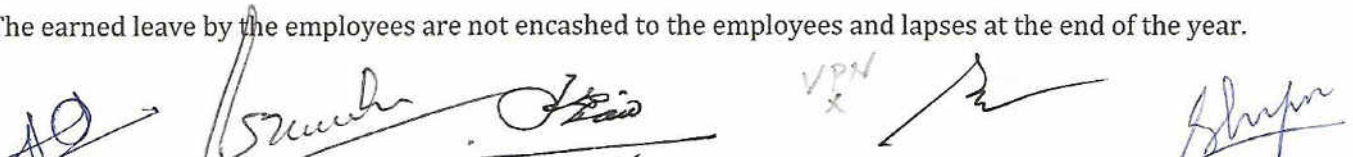
**2.9 Employees Benefits**

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.



**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.

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**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**

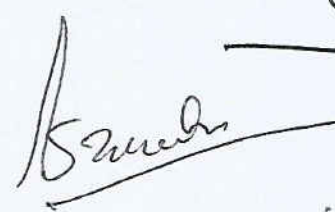
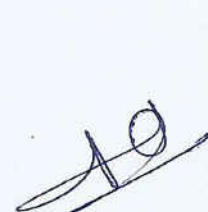
Inventories are valued at cost. The cost includes all items incurred to bring the items to its present location. The obsolete items are removed from the stock and written off as and when identified . Inventory valuation is based on First In First Out (FIFO) method.

**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.



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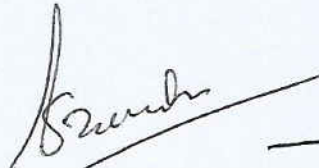
**Segment Reporting**

2.20

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	Unallocated	Total
Revenue	75,755,876	38,925,387	4,606,578	7,265,740	1,243,851	127,797,431
Total Expenses	73,409,355	43,431,351	4,183,602	11,080,673	11,116,166	143,221,147
Profit before tax	2,346,521	(4,505,964)	422,975	(3,814,933)	(9,872,315)	(15,423,716)
Segment Assets	68,975,452	7,285,060	2,786,932	-	17,158,679	96,206,124
Segment Liabilities	1,144,386	896,265	429,103	43,531	93,692,839	96,206,124






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NOTE 3

Share capital	31-Mar-18	31-Mar-17
<b>Authorised shares</b> 2,80,00,000 equity shares of ₹ 10/- each	28,00,00,000	28,00,00,000
<b>shares</b> 2,76,14,010 equity shares of ₹10/- each	27,61,40,100	27,61,40,100
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>27,61,40,100</b>	<b>27,61,40,100</b>

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

Particulars	31-Mar-18		31-Mar-17	
	Number	₹	Number	₹
Equity shares with voting rights				
Opening Balance	2,76,14,010	27,61,40,100	2,76,14,010	27,61,40,100
Fresh Issue	-	-	-	-
<b>Closing Balance</b>	<b>2,76,14,010</b>	<b>27,61,40,100</b>	<b>2,76,14,010</b>	<b>27,61,40,100</b>

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

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

Equity shares of ₹10 each fully paid	31-Mar-18		31-Mar-17	
	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-18	31-Mar-17
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	(25,95,65,194)	(23,67,54,657)
Profit for the year	(1,46,87,016)	(2,28,10,537)
Less: Appropriations	-	-
<b>Net surplus in the statement of profit and loss</b>	<b>(27,42,52,210)</b>	<b>(25,95,65,194)</b>
<b>Total reserves and surplus</b>	<b>(27,42,52,210)</b>	<b>(25,95,65,194)</b>

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NOTE 5

Long-term borrowings	Non-current portion		Current maturities	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Term Loan from South Indian Bank (Refer note below)	-	38,45,840	38,45,840	46,15,440
<b>The above amount includes</b>		<b>38,45,840</b>	<b>38,45,840</b>	<b>46,15,440</b>
Secured borrowings	-	38,45,840	38,45,840	46,15,440
Amount disclosed under the head "other current liabilities" (note 7)			(38,45,840)	(46,15,440)
<b>NET AMOUNT</b>	-	<b>38,45,840</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 31.03.18	38,45,840	
Balance as on 31.03.17	84,61,280	

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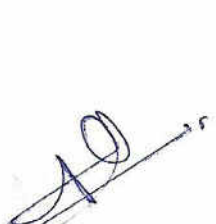
**NOTE 6**

Short-term borrowings	31-Mar-18	31-Mar-17
OverDraft from South Indian Bank (Secured) (Refer note below)	3,03,02,272	2,99,87,995
Loan from Director (Unsecured) (Refer Note 25)*	3,81,74,426	2,79,83,426
<b>TOTAL</b>	<b>6,84,76,698</b>	<b>5,79,71,421</b>
<b>The above amount includes</b>		
Secured borrowings	3,03,02,272	2,99,87,995
Unsecured borrowings*	3,81,74,426	2,79,83,426
*Above loans are repayable on demand.Out of this ₹ 72,70,277 is interest free and the balance amount bears interest varies from 11% to 15%.		

**Details of secured loan**

**Bank**

South Indian Bank	Rate of interest	Base Rate + 2% (presently 9.80%)	
	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 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 deshham. Chavakkad thaluk, in the name of Dr.Sumitha Nandan			



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MANAPPURAM HEALTH CARE LIMITED

Notes to Financial Statements for the year ended 31-March-2018

All amounts are in Indian rupees unless otherwise stated

NOTE 7

Trade Payables	31-Mar-18	31-Mar-17
Others	1,33,90,903	1,02,49,765
<b>TOTAL</b>	<b>1,33,90,903</b>	<b>1,02,49,765</b>

NOTE 8

Other current liabilities	31-Mar-18	31-Mar-17
Current maturities of long-term borrowings (note 5)	38,45,840	46,15,440
Interest on Term loan	34,048	Nil
Statutory Due Payable <b>8.1</b>	10,52,688	10,53,786
Payable for employees	22,75,926	19,55,000
Payable for expenses	20,49,565	38,95,335
Payable for fixed assets	6,09,586	11,96,739
Audit Fee Payable	1,51,200	3,37,825
Retention	1,46,863	2,35,213
Staff account	5,65,167	9,90,587
Staff Security Deposit	11,37,101	Nil
Staff welfare fund	1,12,484	93,059
Advance against booking opticals	5,350	22,855
<b>TOTAL</b>	<b>1,19,85,818</b>	<b>1,43,95,838</b>

8.1 Statutory Due Payable	31-Mar-18	31-Mar-17
VAT payable	-	28,048
EPF payable	3,05,066	3,16,385
ESI payable	80,171	69,614
TDS payable	6,03,967	6,44,739
GST payable	63,484	-
<b>TOTAL</b>	<b>10,52,688</b>	<b>10,58,786</b>

NOTE 9


Short Term Provision	31-Mar-18	31-Mar-17
Provision for Gratuity	4,64,815	-
<b>TOTAL</b>	<b>4,64,815</b>	

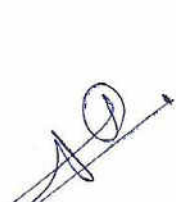



Liability towards Investor Education and Protection Fund under section 125 of the Companies Act, 2013 towards unpaid dividends and unpaid matured deposits and interest on matured deposits

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 2018 and 31 March 2017. 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.



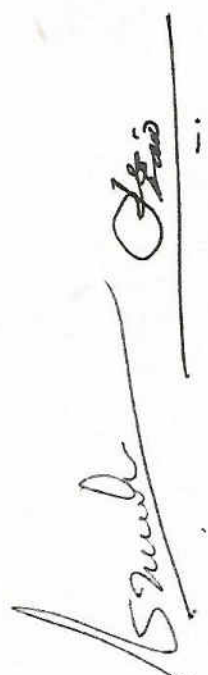


**MANAPPURAM HEALTH CARE LIMITED**

Notes to Financial Statements for the year ended 31-March-2018

All amounts are in Indian rupees unless otherwise stated

**NOTE:10**

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 2016	1,02,14,500.00	18,43,099.00	5,32,58,675.00	6,71,95,371.00	39,47,324.00	1,57,501.00	5,56,651.00	13,71,73,121.00
Additions	-	-	58,90,422.00	53,60,713.00	3,83,945.00	1,49,185.00	4,44,000.00	1,22,28,265.00
Disposals	-	-	-	-	1,775.00	-	1,55,000.00	1,56,775.00
<b>At 31 March 2017</b>	<b>1,02,14,500.00</b>	<b>18,43,099.00</b>	<b>5,91,49,097.00</b>	<b>7,25,56,084.00</b>	<b>43,29,494.00</b>	<b>3,06,686.00</b>	<b>8,45,651.00</b>	<b>14,92,44,611.00</b>
Additions	-	-	-	-	23,601.00	71,606.00	-	95,207.00
Disposals	-	-	-	-	-	-	-	-
<b>At 31 March 2018</b>	<b>1,02,14,500.00</b>	<b>18,43,099.00</b>	<b>5,91,49,097.00</b>	<b>7,25,56,084.00</b>	<b>43,53,095.00</b>	<b>3,78,292.00</b>	<b>8,45,651.00</b>	<b>14,93,39,818.00</b>
<b>Depreciation</b>								
At 1 April 2016	-	3,91,069.00	2,73,32,271.00	4,56,83,280.00	33,76,769.00	35,654.00	3,94,734.00	7,72,13,777.00
Charge for the year	-	80,942.00	59,85,991.00	61,62,758.00	3,74,689.00	1,06,557.00	51,496.00	1,27,62,433.00
Disposals	-	-	-	-	1,511.00	-	1,11,260.00	1,12,771.00
<b>At 31 March 2017</b>	<b>-</b>	<b>4,72,011.00</b>	<b>3,33,18,262.00</b>	<b>5,18,46,038.00</b>	<b>37,49,947.00</b>	<b>1,42,211.00</b>	<b>3,34,970.00</b>	<b>8,98,63,439.00</b>
Charge for the year	-	1,30,253.36	51,90,439.00	53,61,908.00	2,79,222.00	82,052.00	1,59,486.00	1,12,03,360.36
Disposals	-	-	-	-	-	-	-	-
<b>At 31 March 2018</b>	<b>-</b>	<b>6,02,264.36</b>	<b>3,85,08,701.00</b>	<b>5,72,07,946.00</b>	<b>40,29,169.00</b>	<b>2,24,263.00</b>	<b>4,94,456.00</b>	<b>10,10,66,799.36</b>
<b>Net Block</b>								
At 31 March 2017	1,02,14,500.00	13,71,088.00	2,58,30,835.00	2,07,10,046.00	5,79,547.00	1,64,475.00	5,10,681.00	5,93,81,172.00
At 31 March 2018	1,02,14,500.00	12,40,834.64	2,06,40,396.00	1,53,48,138.00	3,23,926.00	1,54,029.00	3,51,195.00	4,82,73,018.64


  
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**MANAPPURAM HEALTH CARE LIMITED**

Notes to Financial Statements for the year ended 31-March-2018

All amounts are in Indian rupees unless otherwise stated

## NOTE :11

Intangible Assets	Computer software	Total
<b>Gross block</b>		
At 1 April 2016	5,62,824.00	5,62,824.00
Purchase	1,70,000.00	1,70,000.00
<b>At 31 March 2017</b>	<b>7,32,824.00</b>	<b>7,32,824.00</b>
Purchase	1,11,760.00	1,11,760.00
<b>At 31 March 2018</b>	<b>8,44,584.00</b>	<b>8,44,584.00</b>
<b>Amortization</b>		
At 1 April 2016	3,61,019.00	3,61,019.00
Charge for the year	91,325.00	91,325.00
<b>At 31 March 2017</b>	<b>4,52,344.00</b>	<b>4,52,344.00</b>
Charge for the year	94,720.00	94,720.00
<b>At 31 March 2018</b>	<b>5,47,064.00</b>	<b>5,47,064.00</b>
<b>Net block</b>		
At 31 March 2017	2,80,480.00	2,80,480.00
At 31 March 2018	2,97,520.00	2,97,520.00

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MANAPPURAM HEALTH CARE LIMITED

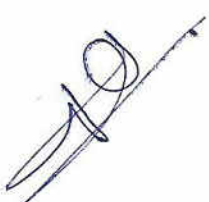
Notes to Financial Statements for the year ended 31-March-2018

All amounts are in Indian rupees unless otherwise stated

NOTE:12

Deferred tax assets (net)	31-Mar-18	31-Mar-17
Deferred tax asset at the beginning of the year	1,00,56,617	91,11,895
<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.	6,90,337	9,41,343
Impact of expenditure charged to the statement of profit and loss account	46,363	3,379
<b>Net deferred tax asset</b>	<b>1,07,93,317</b>	<b>1,00,56,617</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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MANAPPURAM HEALTH CARE LIMITED

Notes to Financial Statements for the year ended 31-March-2018

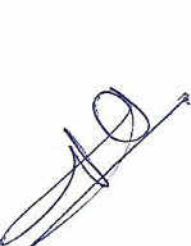
All amounts are in Indian rupees unless otherwise stated

NOTE :13

Loans and Advances	Non-current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
<b>Deposits</b>				
Rent and Electricity deposits	1,25,21,891	1,26,01,891	-	-
Telephone Deposit	5,499	5,499	-	-
Recurring Deposit	11,37,101			
National Saving Certificates (Pledged with Sales Tax Authorities)	95,000	95,000	-	-
Security Deposit with Manappuram Comptech & Consultants Limited*	22,00,000	22,00,000		
	<b>1,59,59,491</b>	<b>1,49,02,390</b>	-	-
<b>Advances</b>				
Capital advances (Unsecured, considered good)	-	-	2,00,000	1,00,000
Prepaid Expense			40,973	45,598
Advance for Expenses			15,661	-
GST/Service tax and other tax recoverable			1,78,712	-
<b>TOTAL</b>	<b>1,59,59,491</b>	<b>1,49,02,390</b>	<b>4,35,346</b>	<b>1,45,598</b>

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

Particulars of Loans and Advances:-	31-Mar-18	31-Mar-17
Loans and advances considered good in respect of which the company is fully secured	95,000	95,000
Loans and advances considered good and unsecured	1,62,99,837	1,49,52,988
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



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**MANAPPURAM HEALTH CARE LIMITED**

Notes to Financial Statements for the year ended 31-March-2018

All amounts are in Indian rupees unless otherwise stated

**NOTE :14**

Other Assets	Non-current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Closing Stock				
Finished goods	-	-	70,47,617	69,50,221
Consumables	-	-	19,21,091	36,13,487
Trade Receivables <b>14.1</b>	-	-	36,06,970	36,00,873
Interest accrued on National Saving Certificate	-	-	45,957	38,737
Tax Deducted at Source	-	-	35,72,609	16,78,568
<b>TOTAL</b>	-	-	<b>1,61,94,244</b>	<b>1,58,81,886</b>

14.1 Trade Receivables	Current	
	31-Mar-18	31-Mar-17
Trade Receivable outstanding for a period exceeding six months from the date they are due for payment.	34,656	75,956
Other Trade Receivables	35,72,314	35,24,918
<b>TOTAL</b>	<b>36,06,970</b>	<b>36,00,873</b>
a) Trade receivables secured and considered good	-	-
b) Trade receivables unsecured and considered good	36,06,970	36,00,873
c) Trade receivables bad or doubtful	-	-

**NOTE :15**

Cash and cash equivalents	Non-current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Cash in hand	-	-	2,90,182	4,60,174
Balances with banks:				
On current accounts	-	-	39,63,005	19,29,453
Deposit with original maturity of less than 3 months	-	-	-	-
Contra balance				
<b>TOTAL</b>	-	-	<b>42,53,187</b>	<b>23,89,627</b>









**MANAPPURAM HEALTH CARE LIMITED**

Notes to Financial Statements for the year ended 31-March-2018

All amounts are in Indian rupees unless otherwise stated

**NOTE :16**

Revenue from operations		31-Mar-18	31-Mar-17
<b>Revenue from sales</b>			
Medicines and other allied products	A1	4,60,86,056	4,38,04,568
OTC Products	B1	53,16,250	88,96,826
		<b>5,14,02,306</b>	<b>5,27,01,394</b>
<b>Less : Returns</b>			
Medicines and other allied products	A2	5,88,007	7,48,499
OTC Products	B2	-	1,16,557
Other deductions		-	-
<b>Less : Discount Allowed</b>	<b>A3</b>	<b>73,43,008</b>	<b>56,75,849</b>
<b>Net Sales</b>	<b>TOTAL (A)</b>	<b>4,34,71,291</b>	<b>4,61,60,489</b>
<b>Revenue from services</b>			
Consultation charges received		67,38,799	52,49,634
Registration fees		1,84,649	1,91,344
Treatment charges		3,42,291	2,52,491
	<b>TOTAL (B)</b>	<b>72,65,739</b>	<b>56,93,469</b>
<b>Diagnostics Income</b>			
Lab income		8,06,37,901	7,43,63,116
Less: Discount Allowed		50,41,135	47,94,086
	<b>TOTAL (C)</b>	<b>7,55,96,766</b>	<b>6,95,69,030</b>
<b>Other operating revenue</b>			
Discount Received		58,676	3,14,340
	<b>TOTAL (D)</b>	<b>58,676</b>	<b>3,14,340</b>
<b>GRAND TOTAL (A+B+C+D)</b>		<b>12,63,92,472</b>	<b>12,17,37,329</b>

**NOTE :17**

Other income	31-Mar-18	31-Mar-17
Interest on National Savings Certificate	7,220	9,451
Interest on Electricity Deposit	66,221	87,307
Rent received from Macare Dental Care Pvt Ltd	3,60,000	3,60,000
Other non-operating income	9,71,518	3,06,578
Profit on sale of asset	-	1,511
<b>TOTAL</b>	<b>14,04,959</b>	<b>7,64,847</b>

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**MANAPPURAM HEALTH CARE LIMITED**

Notes to Financial Statements for the year ended 31-March-2018

All amounts are in Indian rupees unless otherwise stated

**NOTE :18**

<b>Purchase of Traded Goods</b>		<b>31-Mar-18</b>	<b>31-Mar-17</b>
<b>Purchase :-</b>			
Medicines and other allied products	(A1)	3,49,72,912	3,55,45,042
OTC Products	( B1)	21,29,212	69,68,688
		<b>3,71,02,124</b>	<b>4,25,13,729</b>
<b>Less Purchase returns :-</b>			
Medicines and other allied products	(A2)	7,07,834	5,61,929
OTC Products	(B2)	-	79,263
		<b>7,07,834</b>	<b>6,41,193</b>
<b>Less: Consumption for own use:-</b>			
Medicines and other allied products	(A3)	3,815	13,177
OTC Products	(B3)	-	87,332
		<b>3,815</b>	<b>1,00,508</b>
<b>Less: Discount</b>	<b>(B4)</b>	2,20,194	1,63,735
<b>Net Purchase:-</b>			
Medicines and other allied products	(A1-A2-A3)	3,42,61,263	3,49,69,936
OTC Products	(B1-B2-B3-B4)	19,09,018	66,38,358
		<b>3,61,70,281</b>	<b>4,16,08,294</b>
<b>TOTAL</b>		<b>3,61,70,281</b>	<b>4,16,08,294</b>

**NOTE :19**

<b>Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		<b>31-Mar-18</b>	<b>31-Mar-17</b>
Inventories at the end of the year			
-Finished Goods		70,47,617	69,50,221
	(A)	<b>70,47,617</b>	<b>69,50,221</b>
Inventories at the beginning of the year			
-Finished Goods		69,50,221	54,41,581
	(B)	<b>69,50,221</b>	<b>54,41,581</b>
<b>Net ( Increase)/Decrease (A-B)</b>		<b>(97,396)</b>	<b>(15,08,640)</b>



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Manappuram Health Care Limited

Notes to Financial Statements for the year ended 31-March-2018

All amounts are in Indian rupees unless otherwise stated

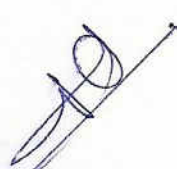
NOTE :20

Employee benefit expense	31-Mar-18	31-Mar-17
Salaries, wages and bonus	2,59,64,584	2,69,02,921
EPF Contribution	18,74,638	20,33,032
ESI Contribution	6,28,091	5,85,189
Gratuity expense	7,85,072	2,43,312
EDLI	90,565	1,25,464
Staff welfare expenses	4,952	10,153
Staff recruitment and training	4,700	-
PMRPY Benefit	(95,225)	-
<b>TOTAL</b>	<b>2,92,57,377</b>	<b>2,99,00,071</b>

NOTE :21

Other expenses	31-Mar-18	31-Mar-17
Advertising and sales promotion	13,72,271	24,06,717
Bad and doubtful debts	20,58,156	16,40,872
Commission	2,25,500	32,514
Consultation Charges	1,38,18,063	82,89,927
Consumables	2,02,93,865	1,70,34,847
Electricity Charges	19,65,138	21,93,013
Fuel Expenses	5,70,310	4,01,527
GST Input Reversed	10,65,947	-
Innaugural Expenses	-	64,297
Insurance	53,005	1,22,574
Interest on TDS	776	-
IT Support cost	19,11,699	21,18,228
Legal Charges	-	21,072
Loss on sale of assets	-	15,740
Meeting Expenses	-	48,345
Membership and Subscription	20,215	16,510
Miscellaneous Expenses	46,929	1,978
Office Expenses	7,60,398	7,62,014
Outside lab charges	15,93,837	15,97,585
Payment to auditor (Refer details below)	1,50,000	1,77,250
Postage	3,038	7,288
Printing and stationery	12,23,062	13,09,802
Rent	68,44,919	73,32,529
Repairs and maintenance	28,21,321	28,82,068
Stock written off	7,290	-
Sitting fees to Directors	3,85,000	2,54,250
Stipend to trainees	4,02,102	3,97,380
Tax and fees	2,11,044	3,21,550
Telephone Expenses	6,76,225	10,90,611
Travelling and conveyance	38,09,255	78,54,741
<b>TOTAL</b>	<b>6,22,89,365</b>	<b>5,83,95,227</b>







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Other expenses(Contd..)	31-Mar-18	31-Mar-17
<b>Payment to auditor</b>		
<b>As auditor:</b>		
Audit fee	1,25,000	1,25,000
Tax audit fee	25,000	35,000
VAT Audit Fee	-	17,250
<b>TOTAL</b>	<b>1,50,000</b>	<b>1,77,250</b>

**NOTE :22**

Depreciation and amortization expense	31-Mar-18	31-Mar-17
Depreciation of Property,plant and equipments	1,12,03,360	1,27,62,434
Amortization of intangible assets	94,720	91,325
<b>TOTAL</b>	<b>1,12,98,080</b>	<b>1,28,53,759</b>

**NOTE :23**

Finance costs	31-Mar-18	31-Mar-17
<b>Interest</b>		
on Borrowings	39,77,623	47,99,752
on Trade Payables	1,742	3,640
on delayed / deferred payment of income tax	-	210
Bank Charges	3,24,075	2,05,123
<b>TOTAL</b>	<b>43,03,440</b>	<b>50,08,725</b>

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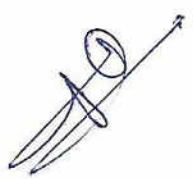
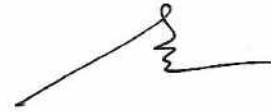
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NOTE :24

Earnings per share (EPS)	31-Mar-18	31-Mar-17
Profit/(loss) after tax	(1,46,87,016)	(2,28,10,537)
Net profit/(loss) for calculation of basic and diluted EPS (A)	(1,46,87,016)	(2,28,10,537)
Weighted average number of equity shares in calculating basic and diluted EPS (B)	2,76,14,010	2,76,14,010
Earnings Per Share (Basic and Diluted) (A/B)	(0.53)	(0.83)



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**NOTE: 25 Related party transactions**

**Names of related parties**

**Key Management Personnel / Directors**

Dr.P.D.Prasannan  
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 Prasannan

\* 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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Related party transactions								
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-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
<b>Salaries &amp; Allowances</b>			<b>34,75,000</b>	<b>31,75,000</b>			<b>34,75,000</b>	<b>31,75,000</b>
Dr.P.D.Prasannan	-	-	34,75,000	31,75,000	-	-	34,75,000	31,75,000
<b>Sitting Fees Paid</b>			<b>3,85,000</b>	<b>1,95,000</b>			<b>3,85,000</b>	<b>1,95,000</b>
V.P.Nandakumar	-	-	20,000	20,000	-	-	20,000	20,000
Sushama Nandakumar	-	-	20,000	20,000	-	-	20,000	20,000
Prof.K.G.Ravi	-	-	20,000	20,000	-	-	20,000	20,000
CA Mahadevan.N.V	-	-	2,15,000	15,000	-	-	2,15,000	15,000
Dr. E. Mohandas	-	-	1,10,000	1,20,000	-	-	1,10,000	1,20,000
<b>Rent Paid</b>			<b>1,71,021</b>	<b>1,13,850</b>			<b>1,71,021</b>	<b>1,73,850</b>
Mr.V.P.Nandakumar	-	-	1,17,888	1,13,850	-	-	1,17,888	1,13,850
Manappuram Agro Farms Ltd	-	60,000	53,133	-	-	-	53,133	60,000
<b>Interest Paid on Loans</b>			<b>2,16,264</b>	<b>1,22,818</b>			<b>2,16,264</b>	<b>1,22,818</b>
Mr.V.P.Nandakumar	-	-	2,16,264	1,22,818	-	-	2,16,264	1,22,818
<b>Travelling Expense to Directors</b>			<b>35,000</b>	<b>35,000</b>			<b>35,000</b>	<b>35,000</b>
CA Mahadevan.N.V	-	-	20,000	15,000	-	-	20,000	15,000
Dr. E.Mohandas	-	-	15,000	20,000	-	-	15,000	20,000
<b>Insurance (Medi claim)</b>			<b>4,500</b>	<b>6,095</b>			<b>4,500</b>	<b>6,095</b>
Dr. P D Prasannan	-	-	4,500	6,095	-	-	4,500	6,095
<b>IT Support Cost</b>	<b>19,11,699</b>	<b>21,18,228</b>					<b>19,11,699</b>	<b>21,18,228</b>
Manappuram Comptech and Consultants Ltd	19,11,699	21,18,228	-	-	-	-	19,11,699	21,18,228
<b>Consultation Charges</b>	<b>6,45,250</b>	<b>6,43,678</b>	<b>3,45,000</b>	<b>1,25,000</b>			<b>9,90,250</b>	<b>7,68,678</b>
Manappuram Comptech and Consultants Ltd	6,45,250	6,43,678	-	-	-	-	6,45,250	6,43,678
Dr. Athira Prasannan	-	-	3,45,000	1,25,000	-	-	3,45,000	1,25,000
<b>Maintenance and Repairs</b>	<b>4,43,220</b>	<b>4,91,102</b>					<b>4,43,220</b>	<b>4,91,102</b>
Manappuram Construction and Properties Ltd	4,43,220	4,91,102	-	-	-	-	4,43,220	4,91,102
Manappuram Comptech and Consultants Ltd	-	-	-	-	-	-	-	-
<b>Purchase of Packaged drinking water</b>		<b>1,240</b>						<b>1,240</b>
Manappuram Agro Farms Ltd	-	1,240	-	-	-	-	-	1,240
<b>Payments towards waste transfer</b>		<b>52,050</b>						<b>52,050</b>
Manappuram Agro Farms Ltd	-	52,050	-	-	-	-	-	52,050

Manappuram Health Care Limited

Notes to Financial Statements for the year ended 31-March-2018

All amounts are in Indian rupees unless otherwise stated

<b>Purchase of Fixed Assets</b>	-	5,08,503	-	-	-	-	-	5,08,503
Manappuram Construction and Properties Ltd	-	3,99,503	-	-	-	-	-	3,99,503
Manappuram Chit fund Company Limited	-	-	-	-	-	-	-	-
Manappuram Comptech and Consultants Ltd	-	-	-	-	-	-	-	-
Manappuram Jewellers Limited	-	1,09,000	-	-	-	-	-	1,09,000
<b>Security Deposit Paid</b>	-	22,00,000	-	-	-	-	-	22,00,000
Manappuram Comptech and Consultants Ltd	-	22,00,000	-	-	-	-	-	22,00,000
<b>Lease Rent Received</b>	4,09,586	4,11,326	-	-	-	-	4,09,586	4,11,326
Macare Dental Care Pvt	3,60,000	3,60,000	-	-	-	-	3,60,000	3,60,000
Manappuram Jewellers Limited	-	-	-	-	-	-	-	-
Manappuram Chits (India) Ltd	49,586	51,326	-	-	-	-	49,586	51,326
<b>Electricity Charges Received</b>	-	-	-	-	-	-	-	4,86,420
Macare Dental Care Pvt	-	4,86,420	-	-	-	-	-	4,86,420
<b>Rent and electricity deposit received</b>	-	47,541	-	-	-	-	-	47,541
Manappuram Jewellers Limited	-	-	-	-	-	-	-	-
Manappuram Chits (India) Ltd	-	47,541	-	-	-	-	-	47,541
<b>Lab income received</b>								
Manappuram Foundations (Charitable Trust)	13,26,700							
<b>Sale of Pharmacy Products</b>	42,362	89,335	2,38,347	3,48,999	-	-	2,80,709	4,38,334
Mr.V.P.Nandakumar	-	-	2,38,347	3,48,999	-	-	2,38,347	3,48,999
Manappuram Agro Farms Ltd	42,362	89,245	-	-	-	-	42,362	89,245
Macare Dental Care Pvt	-	90	-	-	-	-	-	90
<b>Sale of Opticals</b>	-	63,740	-	-	-	-	-	63,740
Dr. P D Prasannan	-	-	-	-	-	-	-	-
Jyothi Prasannan	-	-	-	-	-	-	-	-
Manappuram Finance Limited	-	63,740	-	-	-	-	-	63,740
<b>Rent and electricity deposit returned</b>	-	47,541	-	-	-	-	-	47,541
Manappuram Jewellers Limited	-	47,541	-	-	-	-	-	47,541



Manappuram Health Care Limited

Notes to Financial Statements for the year ended 31-March-2018

All amounts are in Indian rupees unless otherwise stated

<b>Loan From Related V.P.Nandakumar</b>									
Amount Accepted	-	-	1,01,91,000	2,52,28,020	-	-	1,01,91,000	2,52,28,020	
Repayment(Preferential Repayment	-	-	-	-	-	-	-	-	
Balance Outstanding	-	-	3,81,74,426	2,79,83,426	-	-	3,81,74,426	5,04,56,040	
<b>Rent Payable</b>	<b>5,000</b>	<b>5,000</b>	<b>10,350</b>	<b>10,350</b>	<b>-</b>	<b>-</b>	<b>15,350</b>	<b>15,350</b>	
Manappuram Agro Farms Ltd	5,000	5,000	-	-	-	-	5,000	5,000	
Mr.V.P.Nandakumar	-	-	10,350	10,350	-	-	10,350	10,350	
<b>Interest Payable</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,914</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,914</b>	
V.P.Nandakumar	-	-	-	41,914	-	-	-	41,914	
<b>Accounts Payable</b>	<b>11,88,984</b>	<b>11,08,963</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,88,984</b>	<b>11,08,963</b>	
Manappuram Comptech and Consultants Ltd	10,65,096	10,10,890	-	-	-	-	10,65,096	10,10,890	
Manappuram Agro Farms Ltd	-	17,617	-	-	-	-	-	17,617	
Manappuram Construction and Properties Ltd	1,23,888	80,456	-	-	-	-	1,23,888	80,456	
Manappuram Chit fund Company Limited	-	-	-	-	-	-	-	-	
<b>Electricity Charges Receivable</b>	<b>-</b>	<b>4,86,420</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,86,420</b>	
Macare Dental Care Pvt	-	4,86,420	-	-	-	-	-	4,86,420	
<b>Rent Receivable</b>	<b>1,61,266</b>	<b>64,666</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,61,266</b>	<b>64,666</b>	
Macare Dental Care Pvt	1,56,600	60,000	-	-	-	-	1,56,600	60,000	
Manappuram Chits (India) Ltd	4,666	4,666	-	-	-	-	4,666	4,666	
<b>Lab Income Receivable</b>	<b>4,67,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Manappuram Foundations (Charitable Trust)	4,67,700	-	-	-	-	-	-	-	

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**NOTE:26 - 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 summarise 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

Particulars	2018	2017
PV of past service benefit		
Current service cost	4,55,978	1,93,273
Interest cost on benefit obligation	2,03,921	1,60,351
Expected return on plan assets	-1,77,185	(1,57,633)
Net actuarial loss/(gain) recognized in the year	4,91,143	(2,16,488)
Past service cost	44,833	
Net (benefit) / expense	<b>10,18,690</b>	<b>(20,497)</b>

**Balance sheet :-**

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

Particulars	2018	2017
Defined benefit obligation	31,45,142	18,90,871
Fair value of plan assets	26,80,327	22,62,973
Asset/(liability) recognized in the balance sheet (Valuation by External Valuer)	<b>(4,64,815)</b>	<b>3,72,102</b>

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

Particulars	2018	2017
Opening defined benefit obligation	22,62,973	20,04,383
Interest cost	2,03,921	1,60,351
Current service cost	4,55,978	1,93,273
Benefits paid		2,50,846
Actuarial loss / (gain) on obligation	1,77,437	(2,16,488)
Past Service Cost	44,833	
Closing defined benefit obligation	<b>31,45,142</b>	<b>18,90,673</b>

Changes in the fair value of plan assets are as follows:	2018	2017
Opening fair value of plan assets	22,62,973	19,85,722
Expected return	1,77,185	1,57,633
Contributions by employer	5,53,875	3,70,266
Benefits paid		2,50,846
Actuarial gains / (losses)	(3,13,706)	-
Closing fair value of plan assets	<b>26,80,327</b>	<b>22,62,775</b>

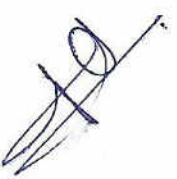
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The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:	2018	2017
Particulars	%	%
Discount rate	8%	8%
Salary Escalation	7%	7%

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 ₹ 18,74,638/-. (Previous year - 20,33,032/- ).



VON  
X



**NOTE : 27 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 : 65,77,716
- b) Later than 1 year and not later than 5 year :23,57,704
- c) Above 5 years :

The lease payment recognized in the statement of profit and loss during the year is ₹68,44,919

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

**NOTE : 28 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 31.03.2018

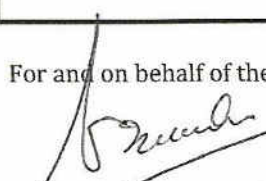
**NOTE :29 COMMITMENTS**

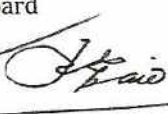
	31-Mar-18	31-Mar-17
1 Claims against the Company not acknowledged as debt	NIL	NIL
2 Estimated amount of contract remaining to be executed on capital account and not provided for	NIL	NIL
3 Contingent liability	NIL	NIL
5 Expenditure on foreign currency	NIL	NIL
6 Earnings in foreign currency	NIL	NIL


**NOTE:30 COMPARATIVES**

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

For and on behalf of the board

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

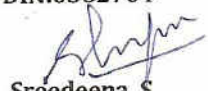
  
Pro.K G Ravi  
Director  
DIN:0362704

  
V.P Nandakumar  
Director  
DIN:00044512

As per our Report of even date attached  
For,MANIKANDAN & ASSOCIATES

  
MANIKANDAN. C.K.  
(PARTNER)  
CHARTERED ACCOUNTANTS  
MEMBERSHIP No.208654  
FIRM REG No.008520S

  
Rameshan K  
CEO

  
Sreedeepta S  
CFO cum CS

Place: Valapad  
Date: 30-08-2018