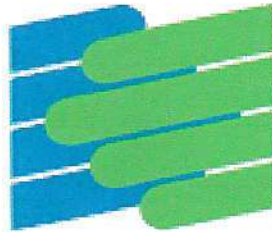


MANAPPURAM HEALTH CARE LIMITED



AUDIT REPORT

2019-2020



Manikandan & Associates
Chartered Accountants



INDEPENDENT AUDITOR'S REPORT

The Members of
MANAPPURAM HEALTH CARE LIMITED

Opinion

We have audited the standalone financial statements of **Manappuram Health Care Limited**, which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss, and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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, of the State of affairs of the Company as at March 31, 2020, and its Profit/Loss, and its Cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

There is no material uncertainty related to going concern

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

Nil

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 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, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us.
 - e. In our opinion the aforesaid financial statements comply with Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f. In our opinion, the comments or observations don't have any adverse effect on functioning of the company.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h. On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

- i. 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 2".

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 does not have any long-term contracts requiring a provision for material foreseeable losses.
- iii) The Company does not have any amounts required to be transferred to the Investor Education and Protection Fund.

For, MANIKANDAN & ASSOCIATES


C.K.MANIKANDAN
(PARTNER)

CHARTERED ACCOUNTANTS

MEMBERSHIP No.208654

FIRM.No.008520S

UDIN: 20208654AAAAFY5201

Chalakydy
27-08-2020

**Annexure 1 to the Independent Auditors' Report of
Manappuram Health Care Limited
as of and for the year ended March 31, 2020
(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.
- (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, GST and cess on account of any dispute.

- (viii) The Company has not 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.

Chalaky
27-08-2020

For, MANIKANDAN & ASSOCIATES


MANIKANDAN.C.K
(PARTNER)

CHARTERED ACCOUNTANTS

MEMBERSHIP No.208654

FIRM.No.008520S

UDIN: 20208654AAAAFY5201

**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, 2020 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, 2020, 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.C.K
(PARTNER)

CHARTERED ACCOUNTANTS
MEMBERSHIP No.208654

FIRM.No.008520S

UDIN: 20208654AAAAFY5201

Place :Chalakudy

Date : 27-08-2020

MANAPPURAM HEALTH CARE LIMITED

BALANCE SHEET AS AT 31ST MARCH 2020

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

I. EQUITY AND LIABILITIES	Notes	31st March 2020	31st March 2019
(1) Shareholders' funds			
(a) Share capital	3	36,66,49,500	33,35,26,100
(b) Reserves and Surplus	4	(33,83,94,398)	(30,53,90,960)
(c) Money received against share warrants		-	-
		2,82,55,102	2,81,35,140
(2) Share application money pending allotment		-	-
(3) Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
(4) Current liabilities			
(a) Short-term borrowings	5	5,44,70,210	6,29,21,880
(b) Trade payables	6	1,13,93,018	85,86,090
(c) Other current liabilities	7	1,09,61,081	97,33,053
(d) Short-term Provisions	8	16,90,872	27,53,550
		7,85,15,181	8,39,94,573
TOTAL		10,67,70,283	11,21,29,713
II. ASSETS			
(1) Non-current assets			
(a) Fixed Asset			
(i) Tangible Assets	9A	6,18,03,520	6,90,13,231
(ii) Intangible Assets	9B	1,35,163	2,12,715
(b) Non-current investments		-	-
(c) Deferred tax assets (net)	10	1,12,56,089	1,08,39,678
(d) Long-term loans and advances	11	1,61,17,245	1,69,65,958
(e) Other non-current assets		-	-
		8,93,12,017	9,70,31,582
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	12	1,16,85,200.00	97,05,952
(c) Trade Receivables	13	19,60,384	7,39,635.88
(d) Cash and cash equivalents	14	26,55,977	17,11,633
(e) Short-term loans and advances	15	8,82,401	8,95,157
(f) Other current assets	16	2,74,303	20,45,753
		1,74,58,266	1,50,98,131
TOTAL		10,67,70,283	11,21,29,713

Summary of significant accounting policies

2

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

For and on behalf of the board



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


N.V Mahadevan
Director
DIN:00073834


V.P Nandakumar
Director
DIN:00044512

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


MANIKANDAN. C.K.
(PARTNER)
CHARTERED ACCOUNTANTS
M.NO:208654
FIRM REG No.008520S
20208654AAAAFY5201


Sreedeepta S
CS


Akhil M K
CFO

Place: Valapad
Date: 27-08-2020

MANAPPURAM HEALTH CARE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

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

PARTICULARS	Notes	31 st March 2020	31 st March 2019
INCOME			
Revenue from operations	17	12,14,24,282	11,74,06,788
Other income	18	16,01,606	12,10,709
Total revenue (I)		12,30,25,888	11,86,17,497
EXPENSES			
Purchase of Stock in Trade	19	4,39,10,120	4,14,01,697
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(10,93,342)	(3,20,859)
Employee benefit expense	21	3,53,06,835	3,16,56,105
Finance costs	22	36,43,099	35,95,757
Depreciation and amortization expense	23	1,29,37,728	1,11,51,476
Other expenses	24	6,17,41,296	6,23,18,432
Total Expenses (II)		15,64,45,736	14,98,02,608
Profit/(loss) before tax (I) - (II)		(3,34,19,848)	(3,11,85,111)
Tax expenses			
Current tax		-	-
Deferred tax		(4,16,411)	(46,361)
Total tax expense (III)		(4,16,411)	(46,361)
Profit/(loss) for the year (IV)		(3,30,03,437)	(3,11,38,750)
Earnings per equity share [nominal value of share `10] (Basic and Diluted)	25	(0.91)	(1.10)

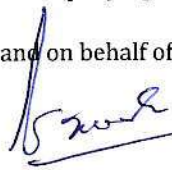
Summary of significant accounting policies

2


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

For and on behalf of the board

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


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



N.V Mahadevan
Director
DIN:00073834


V.P Nandakumar
Director
DIN:00044512


MANIKANDAN. C.K.
(PARTNER)

CHARTERED ACCOUNTANTS
MEMBERSHIP No. 208654
FIRM REG No.008520S
20208654AAAAFY5201




Sreedeepta S
CS

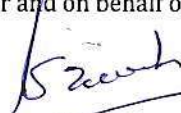

Akhil M K
CFO

Place: Valapad
Date: 27-08-2020

MANAPPURAM HEALTH CARE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020
(All amounts are in Indian Rupees unless other wise stated)

	31 st March 2020	31 st March 2019
Cash flow from operating activities		
Profit before tax	(3,34,19,848)	(3,11,85,111)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Provision for doubtful assets		-
Depreciation and amortization	1,29,37,728	1,11,51,476
Loss on sale of fixed assets	7,50,327	-
Profit on sale of fixed assets	-	(51,912)
Interest /Dividend income	(53,405)	(65,276)
Interest Expense	36,43,099	32,56,180
Operating profit before working capital changes	(1,61,42,100)	(1,68,94,643)
Movements in working capital :		
Increase/ (decrease) in other current liabilities & Provisions	29,72,278	(47,68,842)
Decrease / (increase) in long-term loans and advances	8,48,713	(10,06,467)
Decrease / (increase) in short-term loans and advances	12,756	(4,59,812)
Decrease / (increase) in other current assets	(14,28,547)	37,02,903
Cash generated from / (used in) operations	(1,37,36,899)	(1,94,26,861)
Direct taxes paid (net of refunds)	-	-
Net cash flow from/ (used in) operating activities (A)	(1,37,36,899)	(1,94,26,861)
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(65,32,789)	(3,28,26,399)
Sale of fixed assets	1,31,997	10,71,428
Interest received	53,405	65,276
Net cash flow from/ (used in) investing activities (B)	(63,47,387)	(3,16,89,695)
Cash flows from financing activities		
Proceeds from issue of share capital	3,31,23,400	5,73,86,000
Interest paid	(36,43,099)	(32,56,180)
Short-term borrowings	(84,51,670)	(55,54,818)
Long Term borrowings	-	-
Net cash flow from/ (used in) in financing activities (C)	2,10,28,632	4,85,75,002
Net increase/(decrease) in cash and cash equivalents (A + B + C)	9,44,345	(25,41,554)
Cash and cash equivalents at the beginning of the year	17,11,633	42,53,187
Cash and cash equivalents at the end of the year	26,55,978	17,11,633
Components of cash and cash equivalents		
Cash on hand	2,28,053	4,16,734
With banks - on current account	24,27,924	12,94,899
- on deposit account	-	-
Total cash and cash equivalents (Note 15)	26,55,978	17,11,633

For and on behalf of the board


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

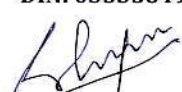

N.V Mahadevan
 Director
 DIN:00073834


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. 008520S
 20208654AAAAFY5201


Sreedeepea S
 CS


Akhil M K
 CFO

Place: Valapad
 Date: 27-08-2020

MANAPPURAM HEALTH CARE LIMITED
Notes to Financial Statements for the year ended 31-March-2020

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 Fixed Assets

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

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.

MANAPPURAM HEALTH CARE LIMITED
Notes to Financial Statements for the year ended 31-March-2020

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

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

2.5 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.

2.6 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 31-03-2020.

2.7 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.

2.8 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-2020

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

MANAPPURAM HEALTH CARE LIMITED
Notes to Financial Statements for the year ended 31-March-2020

2.15 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.

2.16 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.

2.17 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.

2.18 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-2020

All amounts are in Indian rupees unless otherwise stated

Segment Reporting

2.19

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	Total
Revenue	5,90,74,238	4,73,53,315	43,72,410	1,22,25,926	12,30,25,889
Total Expenses	6,73,89,571	6,52,11,372	47,02,329	1,91,12,869	15,64,16,141
Profit before tax	(83,15,333)	(1,78,58,057)	(3,29,919)	(68,86,943)	(3,33,90,252)
Segment Assets	8,96,57,911	47,45,879	23,91,990	99,61,990	10,67,57,770
Segment Liabilities	4,78,88,702	4,45,29,530	78,55,039	64,84,500	10,67,57,771

NOTE 3

Share capital	31 st March 2020 Amount in ₹	31 st March 2019 Amount in ₹
Authorised shares 4,00,00,000 equity shares of ₹10/- each	40,00,00,000	40,00,00,000
shares 3,66,64,950 equity shares of ₹10/- each	36,66,49,500	33,35,26,100
Total issued, subscribed and fully paid-up share capital	36,66,49,500	33,35,26,100

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

Particulars	31 st March 2020		31 st March 2019	
	Number	₹	Number	₹
Equity shares with voting rights				
Opening Balance	3,33,52,610	33,35,26,100	2,76,14,010	27,61,40,100
Fresh Issue	33,12,340	3,31,23,400	57,38,600	5,73,86,000
Closing Balance	3,66,64,950	36,66,49,500	3,33,52,610	33,35,26,100

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 st March 2020		31 st March 2019	
	Number	% holding in the class	Number	% holding in the class
Nandakumar V P	3,66,15,450	99.86	3,33,03,110	99.85

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.

Manappuram Health Care Limited

Notes to Financial Statements for the year ended 31-March-2020.

	31 st March 2020 Amount in ₹	31 st March 2019 Amount in ₹
NOTE 4		
Surplus		
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	(30,53,90,960)	(27,42,52,210)
Profit for the year	(3,30,03,437)	(3,11,38,750)
Less: Appropriations		-
Net surplus in the statement of profit and loss	(33,83,94,398)	(30,53,90,960)
Total reserves and surplus	(33,83,94,398)	(30,53,90,960)
NOTE 5		
Short-term borrowings		
OverDraft from South Indian Bank (Secured) (Refer note below)	2,89,42,912	2,97,98,509
Loan from Director (Unsecured) (Refer Note 26)*	2,55,27,298	3,31,23,371
TOTAL	5,44,70,210	6,29,21,880
The above amount includes		
Secured borrowings	2,89,42,912	2,97,98,509
Unsecured borrowings*	2,55,27,298	3,31,23,371
*Above loans are repayable on demand.		

Details of secured loan

Bank

South Indian Bank	Rate of interest	Base Rate + 2% (presently 11.00%)
	Primary security	Hypothecation of available current assets
	Limit/Margin	Rs 3,00,00,000/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. Sushama Nandakumar (iii) Dry Land with coconut trees of 19.945 cents in Survey No.366/IB2, 366/IA2D,Valappad village, Kazhimbram desh. Chavakkad thaluk, in the name of Dr.Sumitha Nandan

MANAPPURAM HEALTH CARE LIMITED

Notes to Financial Statements for the year ended 31-March-2020.

		31 st March 2020 Amount in ₹	31 st March 2019 Amount in ₹
NOTE 6			
Trade Payables			
Others	6.1	1,13,93,018	85,86,090
TOTAL		1,13,93,018	85,86,090
6.1 Payables to MSMEs			
Dues outstanding more than 45 Days		3,11,608	93,731
Others		7,40,248	1,85,452
TOTAL		10,51,857	2,79,183
NOTE 7			
Other current liabilities			
Statutory Due Payable	7.1	9,52,663	10,45,507
Payable for employees		25,74,783	31,80,815
Payable for expenses		43,89,553	29,63,112
Payable for fixed assets		-	83,958
Audit Fee Payable		1,80,000	1,57,500
Retention		1,58,058	56,100
Staff account		3,50,485	84,115
Staff Security Deposit		21,49,368	20,04,338
Staff welfare fund		1,92,506	1,56,131
Advance against booking opticals		13,665	1,480
TOTAL		1,09,61,081	97,33,053
NOTE 8			
Short Term Provision			
Provision for Gratuity		16,90,872	27,53,550
TOTAL		16,90,872	27,53,550

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 Micro and Small Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March 2020 and 31 March 2019. 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.

9 Fixed Asset	Current FY 2019-20						Accumulated Depreciation/Amortization Expense				Net Block		
	Fixed Asset	Balance as at 01.04.2019	Additions	Disposals	Revaluations/(Impairments)	Balance as at 31.03.2020	Balance as at 01.04.2019	Depreciation/Amortization Expense charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31.03.2020	Balance as at 31.03.2020	Balance as at 31.03.2019
9A Tangible Assets													
Land		1,02,14,500	-	-	-	1,02,14,500	-	-	-	-	9,49,843	1,02,14,500.0	1,02,14,500
Buildings		23,99,951	14,16,000	-	-	38,15,951	7,37,523	2,12,320	-	-	4,78,85,286	28,66,108.0	16,62,428
Plant & Equipment		8,64,19,874	30,79,150	38,45,180	-	8,56,53,844	4,22,77,306	86,68,691	-	30,60,711	3,77,68,558.0	3,77,68,558.0	4,41,42,568
Furniture and fixtures		7,29,50,441	18,20,101	38,12,363	-	7,09,58,179	6,11,50,108	35,40,249	-	37,56,875	1,00,24,697.0	1,00,24,697.0	1,18,00,333
Computer and accessories		45,76,413	1,39,044	9,57,113	-	37,58,344	41,89,089	1,57,620	-	34,31,191	3,27,153.0	3,27,153.0	3,87,324
Office equipment		4,06,362	78,494	2,944	-	4,81,912	2,94,438	62,413	-	3,54,679	1,27,233.0	1,27,233.0	1,11,924
Vehicle		12,98,676	-	-	-	12,98,676	6,04,522	2,18,883	-	8,23,405	4,75,271.0	4,75,271.0	6,94,154
Total(A)		17,82,66,217	65,32,789	86,17,600	-	17,61,81,406	10,92,52,986	1,28,60,176	-	77,35,276	11,43,77,886	6,18,03,520	6,90,13,231
9B Intangible Assets													
Computer & Software		8,44,584	-	-	-	8,44,584	6,31,869	77,552	-	7,09,421	1,35,163	1,35,163	2,12,715
Total (B)		8,44,584	-	-	-	8,44,584	6,31,869	77,552	-	7,09,421	1,35,163	1,35,163	2,12,715
Total (A + B)		17,91,10,801	65,32,789	86,17,600	-	17,70,25,990	10,98,84,855	1,29,37,728	-	77,35,276	11,50,87,307	6,19,38,683	6,92,25,946

Previous FY 2018-19	Gross Block				Accumulated Depreciation/Amortization Expense				Net Block				
	Fixed Asset	Balance as at 01.04.2018	Additions	Disposals	Revaluations/(Impairments)	Balance as at 31.03.2019	Balance as at 01.04.2018	Depreciation/Amortization Expense charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31.03.2019	Balance as at 31.03.2019	Balance as at 31.03.2018
9A Tangible Assets													
Land		1,02,14,500	-	-	-	1,02,14,500	-	-	-	-	-	1,02,14,500	1,02,14,500
Buildings		18,45,099	5,56,852	-	-	23,99,951	6,02,264	1,35,259	-	7,37,523	16,62,428	16,62,428	12,40,835
Plant & Equipment		5,91,49,097	3,11,70,777	39,00,000	-	8,64,19,874	3,85,08,701	66,49,089	-	4,22,77,306	4,41,42,568	4,41,42,568	2,06,40,396
Furniture and fixtures		7,25,56,084	3,94,357	-	-	7,29,50,441	5,72,07,946	39,42,162	-	6,11,50,108	1,18,00,333	1,18,00,333	1,53,48,138
Computer and accessories		43,53,095	2,23,318	-	-	45,76,413	40,29,169	1,59,920	-	41,89,089	3,87,324	3,87,324	3,23,926
Office equipment		3,78,292	28,070	-	-	4,06,362	2,24,263	70,175	-	2,94,438	1,11,924	1,11,924	1,54,029
Vehicle		8,45,651	4,53,025	-	-	12,98,676	4,94,456	1,10,066	-	6,04,522	6,94,154	6,94,154	3,51,195
Total(A)		14,93,39,818	3,28,26,399	39,00,000	-	17,82,66,217	10,10,66,799	1,10,66,671	-	28,80,484	10,32,52,986	6,90,13,231	4,82,73,019
9B Intangible Assets													
Computer & Software		8,44,584	-	-	-	8,44,584	5,47,064	84,805	-	6,31,869	2,12,715	2,12,715	2,97,520
Total (B)		8,44,584	-	-	-	8,44,584	5,47,064	84,805	-	6,31,869	2,12,715	2,12,715	2,97,520
Total (A + B)		15,01,84,402	3,28,26,399	39,00,000	-	17,91,10,801	10,16,13,863	1,11,51,476	-	28,80,484	10,98,84,855	6,92,25,946	4,85,70,539

MANAPPURAM HEALTH CARE LIMITED*Notes to Financial Statements for the year ended 31-March-2020 .***NOTE :10**

Deferred tax assets (net)	31st March 2020 Amount in ₹	31st March 2019 Amount in ₹
Deferred tax asset at the beginning of the year	1,08,39,678	1,07,93,317
Deferred tax asset in the current year:		
Property, plant and equipments: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting period.	4,16,411	1,74,975
Impact of expenditure charged to the statement of profit and loss account	-	(1,28,614)
Net deferred tax asset	1,12,56,089	1,08,39,678

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.

MANAPPURAM HEALTH CARE LIMITED

Notes to Financial Statements for the year ended 31-March-2020.

NOTE :11

Loans and Advances	31st March 2020 Amount in ₹	31st March 2019 Amount in ₹
Deposits		
Rent and Electricity deposits	1,24,97,378	1,24,91,121
Telephone Deposit	5,499	5,499
Fixed Deposit	14,87,650	-
Recurring Deposit	6,61,718	20,04,338
National Saving Certificates (Pledged with Sales Tax Authorities)	95,000	95,000
Security Deposit with National Securities Depository Limited	1,50,000	1,50,000
Security Deposit with Manappuram Construction & Consultants Limited*	12,00,000	-
Security Deposit with Manappuram Comptech & Consultants	-	22,00,000
Security Deposit with Registrar & Share Transfer Agent**	20,000	20,000
	1,61,17,245	1,69,65,958

* Security Deposit towards Data Center Services and information Security Services

**Security Deposit with SKDC Consultants Ltd

Particulars of Loans and Advances:-	31st March 2020 Amount in ₹	31st March 2019 Amount in ₹
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 (Long term and Short term)	1,69,04,646	1,77,66,115
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-2020 .*

	31 st March 2020 Amount in ₹	31 st March 2019 Amount in ₹
NOTE :12		
Inventories		
Closing Stock		
Finished goods	84,61,818	73,68,476
Consumables	32,23,382	23,37,476
(As valued and certified by the management)		
TOTAL	1,16,85,200	97,05,952
NOTE :13		
Trade Receivables		
Trade Receivables (Unsecured considered good)		
Outstanding for a period exceeding six months from the date they are due for payment.	2,15,029	-
Other Trade Receivables	17,45,355	7,39,636
TOTAL	19,60,384	7,39,636
NOTE :14		
Cash and cash equivalents		
Cash on hand	2,28,053	4,16,734
Balances with Banks:		
On current accounts	24,27,924	12,94,899
Deposit with original maturity of less than 3 months	-	-
TOTAL	26,55,977	17,11,633

MANAPPURAM HEALTH CARE LIMITED*Notes to Financial Statements for the year ended 31-March-2020 .*

	31 st March 2020 Amount in ₹	31 st March 2019 Amount in ₹
NOTE :15		
Short-term loans and advances		
Advances		
Capital advances (Unsecured, considered good)	2,00,000	2,00,000
Prepaid Expense	41,715	21,553
Advance for Expenses	20,000	1,56,350
GST/Service tax and other tax recoverable	6,20,686	5,17,254
TOTAL	8,82,401	8,95,157
(a) Trade Receivables considered good - Secured	-	-
(b) Trade Receivables considered good - Unsecured	8,82,401.00	8,95,157.00
(c) Trade Receivables which have significant increase in Credit Risk	-	-
(d) Trade Receivables - credit impaired	-	-
TOTAL	8,82,401.00	8,95,157.00
NOTE :16		
Other Current Assets		
Interest accrued on National Saving Certificate	61,062	53,557
Tax Deducted at Source	2,13,241	19,92,196
TOTAL	2,74,303	17,11,633

MANAPPURAM HEALTH CARE LIMITED

Notes to Financial Statements for the year ended 31-March-2020.

NOTE :17

Revenue from operations	31 st March 2020 Amount in ₹	31 st March 2019 Amount in ₹
Medicines and other allied products		
Revenue from sales	5,33,00,346	5,09,58,335
Less : Returns	7,77,392	6,10,533.00
	5,25,22,954	5,03,47,802.00
OTC Products		
Revenue from sales	49,28,145	50,21,711
Less : Returns	33,163	42,157
	48,94,982	49,79,554
Cosmetics	10,68,245	-
Less : Discount Allowed	60,43,820	62,95,302
Net Sales TOTAL (A)	5,24,42,361	4,90,32,054
Revenue from services		
Consultation charges received	97,01,868	84,81,981
Registration fees	2,95,993	1,95,730
Treatment charges	11,90,478	7,27,480
TOTAL (B)	1,11,88,339	94,05,191
Diagnostics Income		
Lab income	6,12,58,115	6,41,49,170
Less: Discount Allowed	34,91,716	52,39,202
TOTAL (C)	5,77,66,399	5,89,09,968
Other operating revenue		
Discount Received	27,183	59,575
TOTAL (D)	27,183	59,575
GRAND TOTAL (A+B+C+D)	12,14,24,282	11,74,06,788
NOTE :18		
Other income		
Interest on National Savings Certificate	7,505	7,600
Interest on Electricity Deposit	53,405	57,676
Rent received	3,73,130	4,07,450
Other non-operating income	3,10,566	6,86,071
Profit on sale of asset	-	51,912
Bad Debts Recovered	8,57,000	-
TOTAL	16,01,606	12,10,709

MANAPPURAM HEALTH CARE LIMITED

Notes to Financial Statements for the year ended 31-March-2020.

NOTE :19

Purchase of Stock in Trade	31 st March 2020 Amount in ₹	31 st March 2019 Amount in ₹
Medicines and other allied products		
Purchase	4,35,52,995	4,02,43,085
Less: Purchase returns	(10,14,726)	6,56,038.00
Less: Consumption for own use	-	-
	4,25,38,269	3,95,87,047
OTC Products		
Purchase	17,53,369	21,85,418
Less: Purchase returns	-	-
Less: Consumption for own use	-	-
	17,53,369	21,85,418
Cosmetics		
Purchase	44,911	-
Less: Purchase returns	-	-
Less: Consumption for own use	-	-
	44,911	-
Less: Discount	4,26,429	3,70,768
TOTAL	4,39,10,120	4,14,01,697
NOTE :20		
Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the end of the year		
Finished goods	84,61,818	73,68,476
	84,61,818	73,68,476
(A)		
Inventories at the beginning of the year		
-Finished Goods	73,68,476	70,47,617
	73,68,476	70,47,617
(B)		
(As Valued and Certified by Management)		
Net (Increase)/Decrease (A-B)	(10,93,342)	(3,20,859)

Manappuram Health Care Limited

Notes to Financial Statements for the year ended 31-March-2020.

	31 st March 2020 Amount in ₹	31 st March 2019 Amount in ₹
NOTE :21		
Employee benefit expense		
Salaries, wages and bonus	3,10,38,359	2,68,07,024
EPF Contribution (Net of PMRPY)	21,22,373	17,38,757
ESI Contribution	5,46,840	6,72,552
Gratuity expense	13,74,766	23,38,735
EDLI	1,06,184	80,239
Staff welfare expenses	15,840	13,798
Staff recruitment and training	1,02,473	5,000
TOTAL	3,53,06,835	3,16,56,105
NOTE :22		
Finance costs		
Interest		
On Borrowings	32,53,874	32,56,180
Bank Charges	3,89,225	3,39,577
TOTAL	36,43,099	35,95,757
NOTE :23		
Depreciation and amortization expense		
Depreciation of Property,plant and equipments	1,28,60,176	1,10,66,671
Amortization of intangible assets	77,552	84,805
TOTAL	1,29,37,728	1,11,51,476

	31 st March 2020 Amount in ₹	31 st March 2019 Amount in ₹
NOTE :24		
Other expenses		
Advertising and sales promotion	20,97,531	21,44,533
Bad and doubtful debts	6,71,774	32,14,775
Commission	1,54,000	9,89,500
Consultation Charges	1,66,33,807	1,62,63,788
Consumables	1,22,04,334	1,23,81,744
Electricity deposit written off	32,043	-
Electricity Charges	28,66,547	22,28,299
Fuel Expenses	5,94,404	6,04,513
GST	12,40,775	13,87,101
Inaugural Expenses	89,997	-
Incentive	36,965	-
Insurance	1,36,489	90,984
Interest on TDS	1,472	2,866
IT Support cost	19,02,600	18,42,600
Legal Charges	44,500	-
Loss on sale of fixed assets	7,50,327	-
Marketing Expense	3,46,692	-
Meeting Expenses	4,940	6,409
Membership and Subscription	2,14,707	16,859
Miscellaneous Expenses	44,131	18,061
Office Expenses	5,69,806	8,21,394
Outside lab charges	16,41,092	12,89,382
Payment to auditor (Refer details below)	2,00,000	1,75,000
Postage	3,818	9,775
Printing and stationery	10,83,342	10,02,720
Rent	77,46,844	70,08,155
Repairs and maintenance	25,49,001	29,82,260
Security Service Salary	60,189	-
Sitting fees to Directors	50,000	2,85,000
Stipend to trainees	2,54,667	1,25,929
Tax and fees	3,52,390	11,95,840
Telephone Expenses	9,15,716	7,67,126
Travelling and conveyance	62,46,396	54,63,819
TOTAL	6,17,41,296	6,23,18,432
Other expenses(Contd..)		
Payment to auditor		
As auditor:		
Audit fee	1,75,000	1,50,000
For Taxation matters	25,000	25,000
For Management services	-	-
For Others	-	-
TOTAL	2,00,000	1,75,000

Manappuram Health Care Limited

Notes to Financial Statements for the year ended 31-March-2020.

NOTE :25

Earnings per share (EPS)	31st March 2020 Amount in ₹	31st March 2019 Amount in ₹
Profit/(loss) after tax	(3,30,03,437)	(3,11,38,750)
Net profit/(loss) for calculation of basic and diluted EPS (A)	(3,30,03,437)	(3,11,38,750)
Weighted average number of equity shares in calculating basic and diluted EPS (B)	3,62,66,119	2,81,82,965
Earnings Per Share (Basic and Diluted) (A/B)	(0.91)	(1.10)

NOTE: 26 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
 Sreedeepta S

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
 Dr.Shobhana Mohandas

* 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-2020
All amounts are in Indian rupees unless otherwise stated

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	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Salaries & Allowances Paid			62,25,318	38,10,000	-	-	62,25,318	38,10,000
Dr.P.D.Prasannan	-	-	40,10,400	38,10,000	-	-	40,10,400	38,10,000
Rameshan K (CEO)	-	-	8,15,040	-	-	-	8,15,040	-
Sreedeepta	-	-	13,99,878	-	-	-	13,99,878	-
Sitting Fees Paid			50,000	2,85,000	-	-	50,000	2,85,000
V.P.Nandakumar	-	-	10,000	20,000	-	-	10,000	20,000
Sushama Nandakumar	-	-	10,000	15,000	-	-	10,000	15,000
Prof.K.G.Ravi	-	-	10,000	20,000	-	-	10,000	20,000
CA Mahadevan.N.V	-	-	10,000	1,15,000	-	-	10,000	1,15,000
Dr. E. Mohandas	-	-	10,000	1,15,000	-	-	10,000	1,15,000
Rent Paid	8,53,388	51,302	1,16,160	1,07,641	-	-	9,69,548	1,58,943
Mr.V.P.Nandakumar	-	-	1,16,160	1,07,641	-	-	1,16,160	1,07,641
Manappuram Agro Farms Ltd	53,388	51,302	-	-	-	-	53,388	51,302
Maben Nidhi Ltd	8,00,000	-	-	-	-	-	8,00,000	-
Interest Paid on Loans			-	-	-	-	-	-
Mr.V.P.Nandakumar	-	-	-	-	-	-	-	-
Travelling Expense to Directors			20,000	30,000	-	-	20,000	30,000
CA Mahadevan.N.V	-	-	10,000	15,000	-	-	10,000	15,000
Dr. E.Mohandas	-	-	10,000	15,000	-	-	10,000	15,000
Insurance (Medi claim)			-	-	-	-	-	-
Dr. P D Prasannan	-	-	-	-	-	-	-	-
IT Support Cost	19,02,600	18,42,600	-	-	-	-	19,02,600	18,42,600
Manappuram Comptech and Consultants Ltd	19,02,600	18,42,600	-	-	-	-	19,02,600	18,42,600
Consultation Charges	9,63,870	6,72,500	1,27,500	1,24,500	-	3,57,000	10,10,500	11,54,000
Manappuram Constructions and Consultants Ltd	8,83,000	6,72,500	-	-	-	-	8,83,000	6,72,500
Adlux Medicity and Convention Centre private Ltd.	80,870	-	-	-	-	-	-	-
Dr. Athira Prasannan	-	-	-	-	-	3,00,000	-	3,00,000
Dr. Mohandas	-	-	1,27,500	1,24,500	-	-	1,27,500	1,24,500
Dr.Shobhana Mohandas	-	-	-	-	-	57,000	-	57,000
Maintenance and Repairs	-	3,91,600	-	-	-	-	-	3,91,600
Manappuram Construction and Properties Ltd	-	3,91,600	-	-	-	-	-	3,91,600
Security Deposit Paid	12,00,000	22,00,000	-	-	-	-	12,00,000	22,00,000
Manappuram Comptech and Consultants Ltd	-	22,00,000	-	-	-	-	-	22,00,000
Manappuram Construction & Consultants Ltd	12,00,000	-	-	-	-	-	12,00,000	-
Lease Rent Received	3,73,130	4,07,450	-	-	-	-	3,73,130	4,07,450
Macare Dental Care Pvt Ltd	3,30,000	3,60,000	-	-	-	-	3,30,000	3,60,000
Manappuram Chits (India) Ltd	43,130	47,450	-	-	-	-	43,130	47,450

Manappuram Health Care Limited
Notes to Financial Statements for the year ended 31-March-2020
All amounts are in Indian rupees unless otherwise stated

Rent and Electricity Deposit Received	47,541	47,541	-	-	-	-	47,541	47,541
Manappuram Chits (India) Ltd	47,541	47,541	-	-	-	-	47,541	47,541
Security Deposit Refund	22,00,000	-	-	-	-	-	22,00,000	-
Manappuram Comptech and Consultants Ltd	22,00,000	-	-	-	-	-	22,00,000	-
Lab income received	8,34,550	6,93,410	-	-	-	-	7,37,100	6,93,410
Manappuram Foundations (Charitable Trust)	7,37,100	6,93,410	-	-	-	-	7,37,100	6,93,410
Maben Nidhi Ltd	97,450	-	-	-	-	-	-	-
Sale of Pharmacy Products	4,30,818	2,45,831	-	-	-	-	4,30,818	2,45,831
Mr.V.P.Nandakumar	1,88,586	2,10,809	-	-	-	-	1,88,586	2,10,809
Manappuram Agro Farms Ltd	2,42,232	35,022	-	-	-	-	2,42,232	35,022
Macare Dental Care Pvt Ltd	-	-	-	-	-	-	-	-
Loan From Related Parties:			2,55,27,298	3,31,23,371			2,55,27,298	3,31,23,371
V.P.Nandakumar								
Amount Accepted	-	-	2,55,27,298	5,23,34,945	-	-	2,55,27,298	5,23,34,945
Repayment (Issue of Shares)	-	-	3,31,23,371	5,73,86,000	-	-	3,31,23,371	5,73,86,000
Repayment	-	-	-	-	-	-	-	-
Balance Outstanding	-	-	2,55,27,298	3,31,23,371	-	-	2,55,27,298	3,31,23,371
Rent Payable	3,29,250	5,540	11,424	12,727	-	-	16,674	18,267
Manappuram Agro Farms Ltd	5,250	5,540	-	-	-	-	5,250	5,540
Maben Nidhi Ltd	3,24,000	-	-	-	-	-	-	-
Mr.V.P.Nandakumar	-	-	11,424	12,727	-	-	11,424	12,727
Accounts Payable	8,08,542	2,07,130	-	-	-	-	-	2,07,130
Manappuram Comptech and Consultants Ltd	-	1,65,834	-	-	-	-	-	1,65,834
Manappuram Agro Farms Ltd	-	-	-	-	-	-	-	-
Manappuram Construction and Consultants Ltd	8,08,542	-	-	-	-	-	-	-
Manappuram Construction and Properties Ltd	-	41,296	-	-	-	-	-	41,296
Manappuram Chit fund Company Limited	-	-	-	-	-	-	-	-
Rent Receivable	97,200	69,466	-	-	-	-	97,200	69,466
Macare Dental Care Pvt Ltd	97,200	64,800	-	-	-	-	97,200	64,800
Manappuram Chits (India) Ltd	-	4,666	-	-	-	-	-	4,666
Lab Income Receivable	-	97,450	-	-	-	-	-	97,450
Manappuram Foundations (Charitable Trust)	-	-	-	-	-	-	-	-
Maben Nidhi Ltd	-	97,450	-	-	-	-	-	97,450
Electricity and Fuel expenses Receivables	69,510	-	-	-	-	-	69,510	-
Macare Dental Care Pvt Ltd	69,510	-	-	-	-	-	69,510	-

Manappuram Health Care Limited

Notes to Financial Statements for the year ended 31-March-2020

All amounts are in Indian rupees unless otherwise stated

NOTE:27 - 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	2020	2019
PV of past service benefit		6,91,340
Current service cost	8,44,235	1,65,946
Interest cost on benefit obligation	4,47,384	1,80,863
Expected return on plan assets	2,26,985	25,59,140
Net actuarial loss/(gain) recognized in the year	-3,32,557	-
Past service cost	-	-
Net (benefit) / expense	11,86,047	35,97,289

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

Particulars	2020	2019
Defined benefit obligation	51,52,249	51,21,261
Fair value of plan assets	34,61,377	23,67,711
Asset/(liability) recognized in the balance sheet	(16,90,872)	(27,53,550)

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

Particulars	2020	2019
Opening defined benefit obligation	50,42,392	22,12,614
Interest cost	4,47,384	1,65,946
Current service cost	8,44,235	6,91,340
Benefits paid	(15,14,319)	(5,07,779)
Actuarial loss / (gain) on obligation	3,32,557	24,94,348
Past Service Cost	-	-
Closing defined benefit obligation	51,52,249	50,56,469

Note: In Financial Year 2018-19, Provision for gratuity has been made as per LIC valuation, as Actuarial valuation was less. However, in the Current year, Provision has been made as per Actuarial Valuation as the same requires higher provision.

Manappuram Health Care Limited

Notes to Financial Statements for the year ended 31-March-2020

All amounts are in Indian rupees unless otherwise stated

Changes in the fair value of plan assets are as follows:	2020	2019
Opening fair value of plan assets	23,67,711	26,80,327
Expected return	2,26,985	1,80,863
Contributions	23,81,000	14,300
Benefits paid	(15,14,319)	(5,07,779)
Actuarial gains / (losses)	-	-
Closing fair value of plan assets	34,61,377	23,67,711

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:	2020	2019
Particulars	%	%
Discount rate	6.8%	7.60%
Salary Escalation	5.00%	5.00%

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 Rs.21,22,373/- . (Previous year - Rs.17,38,757/-).

Manappuram Health Care Limited

Notes to Financial Statements for the year ended 31-March-2020

NOTE : 28 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 : ₹53,79,949
- b) Later than 1 year and not later than 5 year : ₹1,05,42,048
- c) Above 5 years : NIL

The lease payment recognized in the statement of profit and loss during the year is ₹77,46,844

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

NOTE : 29 IMPAIRMENT OF ASSETS

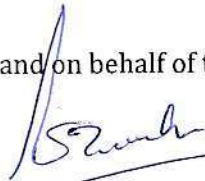
Property, plant and equipment possessed by the Company are treated as "Corporate Assets" and are not "Cash Generating Units" as defined in AS 28 issued by ICAI. In the opinion of the management, there is no impairment of assets of the Company as on 31.03.2020

NOTE :30 COMMITMENTS	31st March 2020 Amount in ₹	31st March 2019 Amount in ₹
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:31 COMPARATIVES

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

For and on behalf of the board


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


N.V Mahadevan
Director
DIN:00073834


Sreedeepta S
CS


Akhil M K
CFO

Place: Valapad
Date: 27-08-2020

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


V.P Nandakumar
Director
DIN:00044512


MANIKANDAN. C.K.
(PARTNER)
CHARTERED ACCOUNTANTS
MEMBERSHIP No.208654
FIRM REG No.008520S
20208654AAAAFY5201