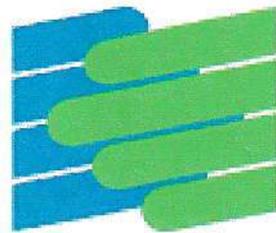


MANAPPURAM HEALTH CARE LIMITED



AUDIT REPORT

2018-19



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 2019, 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, 2019, 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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.

Chalaky
31.07.2019

For, MANIKANDAN & ASSOCIATES

C.K.MANIKANDAN
(PARTNER)

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



**Annexure 1 to the Independent Auditors' Report of
Manappuram Health Care Limited
as of and for the year ended March 31, 2019
(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
31.07.2019

For, MANIKANDAN & ASSOCIATES

MANIKANDAN.C.K
(PARTNER)

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





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, 2019 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, 2019, 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

Place :Chalakydy

Date :31.07.2019

MANAPPURAM HEALTH CARE LIMITED

BALANCE SHEET AS AT 31ST MARCH 2019

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

EQUITY AND LIABILITIES	Notes	31-Mar-19	31-Mar-18
Shareholders' funds			
Share capital	3	33,35,26,100	27,61,40,100
Surplus	4	(30,53,90,960)	(27,42,52,210)
		2,81,35,140	18,87,890
Non-current liabilities			
Long-term borrowings	5	-	-
Current liabilities			
Short-term borrowings	6	6,29,21,880	6,84,76,698
Trade payables	7	85,86,090	1,33,90,903
(i) Total outstanding dues of creditors other than MSME	83,06,907		
(ii) Total outstanding dues for MSMEs	2,79,183		
Other current liabilities	8	97,33,053	1,19,85,818
Short-term Provisions	9	27,53,550	4,64,815
		8,39,94,573	9,43,18,234
TOTAL		11,21,29,713	9,62,06,124
ASSETS			
Non-current assets			
Property, plant and equipment	10	6,90,13,231	4,82,73,019
Intangible Assets	11	2,12,715	2,97,520
Deferred tax assets (net)	12	1,08,39,678	1,07,93,317
Long-term loans and advances	13	1,69,65,958	1,59,59,491
		9,70,31,582	7,53,23,347
Current assets			
Cash and cash equivalents	15	17,11,633	42,53,187
Short-term loans and advances	13	8,95,157	4,35,346
Other current assets	14	1,24,91,341	1,61,94,244
		1,50,98,131	2,08,82,777
TOTAL		11,21,29,713	9,62,06,124

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



Kameshan K
CEO



Pro. K. G. Ravi
Director
DIN: 0362704



Sreedeepta S
CFO cum CS



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

Place: Valapad

Date: 31-03-2019

MANAPPURAM HEALTH CARE LIMITED			
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019			
<i>(All amounts are in Indian Rupees unless other wise stated)</i>			
PARTICULARS	Notes	31-Mar-19	31-Mar-18
INCOME			
Revenue from operations	16	11,74,06,788	12,63,92,472
Other income	17	12,10,709	14,04,959
Total revenue (I)		11,86,17,497	12,77,97,431
EXPENSES			
Purchase of Traded goods	18	4,14,01,697	3,61,70,281
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	(3,20,859)	(97,396)
Employee benefit expenses	20	3,16,56,105	2,92,57,377
Other expenses	21	6,23,18,432	6,22,89,365
Depreciation and amortization expense	22	1,11,51,476	1,12,98,080
Finance costs	23	35,95,757	43,03,440
Total Expenses (II)		14,98,02,608	14,32,21,147
Profit/(loss) before tax (I) - (II)		(3,11,85,111)	(1,54,23,716)
Tax expenses			
Current tax		-	-
Deferred tax		(46,361)	(7,36,700)
Total tax expense (III)		(46,361)	(7,36,700)
Profit/(loss) for the year (IV)		(3,11,38,750)	(1,46,87,016)
Earnings per equity share			
[nominal value of share ₹10]			
(Basic and Diluted)	24	(1.10)	(0.53)

Summary of significant accounting policies

2

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

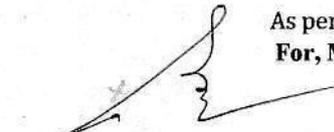
For and on behalf of the board



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



Rameshan K
CEO



Sreedeepta S
CFO cum CS

Place: Valapad

Date: 31-07-2019

MANAPPURAM HEALTH CARE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019
(All amounts are in Indian Rupees unless otherwise stated)

	31-Mar-19	31-Mar-18
Cash flow from operating activities		
Profit before tax	(3,11,85,111)	(1,54,23,716)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Provision for doubtful assets	-	-
Depreciation and amortization	1,11,51,476	1,12,98,080
Loss on sale of fixed assets	-	-
Profit on sale of fixed assets	(51,912)	-
Interest /Dividend income	(65,276)	(73,441)
Interest Expense	32,56,180	39,77,623
Operating profit before working capital changes	(1,68,94,643)	(2,21,454)
Movements in working capital :		
Increase/ (decrease) in other current liabilities & Provisions	(47,68,842)	11,95,933
Decrease / (increase) in long-term loans and advances	(10,06,467)	(10,57,101)
Decrease / (increase) in short-term loans and advances	(4,59,812)	(2,89,748)
Decrease / (increase) in other current assets	37,02,903	(3,12,358)
Cash generated from / (used in) operations	(1,94,26,861)	(6,84,728)
Direct taxes paid (net of refunds)	-	-
Net cash flow from/ (used in) operating activities (A)	(1,94,26,861)	(6,84,728)
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(3,28,26,399)	(2,06,967)
Sale of fixed assets	10,71,428	-
Interest received	65,276	73,441
Net cash flow from/ (used in) investing activities (B)	(3,16,89,695)	(1,33,526)
Cash flows from financing activities		
Proceeds from issue of share capital	5,73,86,000	-
Interest paid	(32,56,180)	(39,77,623)
Short-term borrowings	(55,54,818)	1,05,05,277
Long Term borrowings	-	(38,45,840)
Net cash flow from/ (used in) in financing activities (C)	4,85,75,002	26,81,814
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(25,41,554)	18,63,560
Cash and cash equivalents at the beginning of the year	42,53,187	23,89,627
Cash and cash equivalents at the end of the year	17,11,633	42,53,187
Components of cash and cash equivalents		
Cash on hand	4,16,734	2,90,182
With banks - on current account	12,94,899	39,63,005
- on deposit account	-	-
Total cash and cash equivalents (Note 15)	17,11,633	42,53,187

For and on behalf of the board

[Signature]
Dr.P.D.Prasannan
 Managing Director
 DIN: 08535849

[Signature]
Jameshan K
 CEO

[Signature]
Pro.K G Ravi
 Director
 DIN:0362704

[Signature]
Sreedeepta S
 CFO cum CS

[Signature]
V.P Nandakumar
 Director
 DIN:00044512

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

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

Place: Valapad
 Date: 31-07-2019

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 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 31-03-2019.

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.

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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.

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

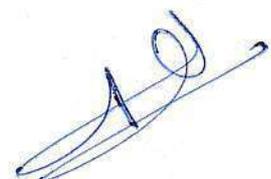
Inventories are valued at cost. The cost includes all items incurred to bring the items to its present location. The obsolete items are removed from the stock and written off as and when identified. Inventory valuation is based on First In First Out (FIFO) method.

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.



MANAPPURAM HEALTH CARE LIMITED

Notes to Financial Statements for the year ended 31-March-2019

All amounts are in Indian rupees unless otherwise stated

Segment Reporting

2.20

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

Particulars	Reportable Segments				
	Diagnostics	Pharmacy	Opticals	Clinic	Total
Revenue	5,97,09,107	4,44,93,127	49,68,808	94,46,455	11,86,17,497
Total Expenses	7,17,03,704	5,77,08,961	48,28,684	1,55,61,259	14,98,02,608
Profit before tax	(1,19,94,597)	(1,32,15,834)	1,40,124	(61,14,804)	(3,11,85,111)
Segment Assets	9,31,63,477	1,35,55,278	39,95,105	14,15,853	11,21,29,713
Segment Liabilities	5,42,89,579	4,29,03,710	39,88,431	1,09,47,994	11,21,29,713

Shyju *AD* *Sanku* *J. Rao* *X VDN*

MANAPPURAM HEALTH CARE LIMITED

Notes to Financial Statements for the year ended 31-March-2019

All amounts are in Indian rupees unless otherwise stated

NOTE 3

Share capital	31-Mar-19	31-Mar-18
Authorised shares 4,00,00,000 equity shares of ₹ 10/- each	40,00,00,000	28,00,00,000
shares 3,33,52,610 equity shares of ₹10/- each	33,35,26,100	27,61,40,100
Total issued, subscribed and fully paid-up share capital	33,35,26,100	27,61,40,100

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

Particulars	31-Mar-19		31-Mar-18	
	Number	₹	Number	₹
Opening Balance	2,76,14,010	27,61,40,100	2,76,14,010	27,61,40,100
Fresh Issue	57,38,600	5,73,86,000	-	-
Closing Balance	3,33,52,610	33,35,26,100	2,76,14,010	27,61,40,100

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-Mar-19		31-Mar-18	
	Number	% holding in the class	Number	% holding in the class
Nandakumar V P	3,33,03,110	99.85	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

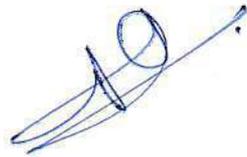
Surplus	31-Mar-19	31-Mar-18
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	(27,42,52,210)	(25,95,65,194)
Profit for the year	(3,11,38,750)	(1,46,87,016)
Less: Appropriations	-	-
Net surplus in the statement of profit and loss	(30,53,90,960)	(27,42,52,210)
Total reserves and surplus	(30,53,90,960)	(27,42,52,210)

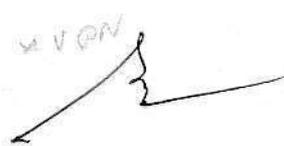
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NOTE 5

Long-term borrowings	Non-current portion		Current maturities	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Term Loan from South Indian Bank (Refer note below)	-	-	-	38,45,840
The above amount includes				38,45,840
Secured borrowings	-	-	-	38,45,840
Amount disclosed under the head "other current liabilities" (note 7)	-	-	-	(38,45,840)
NET AMOUNT	-	-	-	-

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 660sqf t,199 cents(Actual extent 205 cents) in Survey No.12/4, , kodannur village, Thrissur Taluk in the name of smt. Sumitha Nandan
		(iii) Dry Land with coconut trees of 19.945 cents in Survey No.366/IB2, 366/IA2D,Valappad village, Kazhimbram desham. Chavakkad thaluk, in the name of Dr.Sumitha Nandan
	Balance as on 31.03.19	-
	Balance as on 31.03.18	-



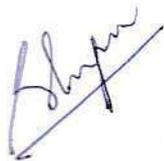
NOTE 6

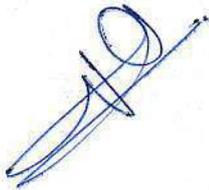
Short-term borrowings	31-Mar-19	31-Mar-18
OverDraft from South Indian Bank (Secured) (Refer note below)	2,97,98,509	3,03,02,272
Loan from Director (Unsecured) (Refer Note 25)*	3,31,23,371	3,81,74,426
TOTAL	6,29,21,880	6,84,76,698
The above amount includes		
Secured borrowings	2,97,98,509	3,03,02,272
Unsecured borrowings*	3,31,23,371	3,81,74,426

*Above loans are repayable on demand.

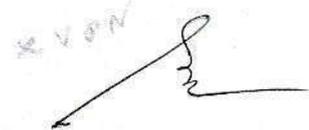
Details of secured loan
 Bank

South Indian Bank	Rate of interest	Base Rate + 2% (presently 9.95%)
	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 desham. Chavakkad thaluk, in the name of Dr.Sumitha Nandan









MANAPPURAM HEALTH CARE LIMITED

Notes to Financial Statements for the year ended 31-March-2019

All amounts are in Indian rupees unless otherwise stated

NOTE 7

Trade Payables		31-Mar-19	31-Mar-18
Others	7.1	85,86,090	1,33,90,903
TOTAL		85,86,090	1,33,90,903

7.1 Payables to MSMEs		31-Mar-19	31-Mar-18
Dues outstanding more than 45 Days		93,731.00	-
Others		1,85,452.00	-
TOTAL		2,79,183.00	-

NOTE 8

Other current liabilities		31-Mar-19	31-Mar-18
Current maturities of long-term borrowings (note 5)		-	38,45,840
Interest on Term loan		-	34,048
Statutory Due Payable	8.1	10,45,507	10,52,688
Payable for employees		31,80,815	22,75,926
Payable for expenses		29,63,112	20,49,565
Payable for fixed assets		83,958	6,09,586
Audit Fee Payable		1,57,500	1,51,200
Retention		56,100	1,46,863
Staff account		84,115	5,65,167
Staff Security Deposit		20,04,338	11,37,101
Staff welfare fund		1,56,131	1,12,484
Advance against booking opticals		1,480	5,350
TOTAL		97,33,053	1,19,85,818

8.1 Statutory Due Payable		31-Mar-19	31-Mar-18
EPF payable		3,05,470	3,05,066
ESI payable		71,558	80,171
TDS payable		5,66,393	6,03,967
GST payable		1,02,086	63,484
TOTAL		10,45,507	10,52,688

MANAPPURAM HEALTH CARE LIMITED

Notes to Financial Statements for the year ended 31-March-2019

All amounts are in Indian rupees unless otherwise stated

NOTE 9

Short Term Provision	31-Mar-19	31-Mar-18
Provision for Gratuity	27,53,550	4,64,815
TOTAL	27,53,550	4,64,815

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 2019 and 31 March 2018. 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.

NOTE:10

Property, Plant and Equipment	Land	Buildings	Plant and equipment	Furniture & Fixtures	Computer and accessories	Office Equipments	Vehicle	Total
Cost or valuation								
At 1 April 2017	1,02,14,500	18,43,099	5,91,49,097	7,25,56,084	43,29,494	3,06,686	8,45,651	14,92,44,611
Additions	-	-	-	-	23,601	71,606	-	95,207
Disposals	-	-	-	-	-	-	-	-
At 31 March 2018	1,02,14,500	18,43,099	5,91,49,097	7,25,56,084	43,53,095	3,78,292	8,45,651	14,93,39,818
Additions	-	5,56,852	3,11,70,777	3,94,357	2,23,318	28,070	4,53,025	3,28,26,399
Disposals	-	-	39,00,000	-	-	-	-	39,00,000
At 31 March 2019	1,02,14,500	23,99,951	8,64,19,874	7,29,50,441	45,76,413	4,06,362	12,98,676	17,82,66,217
Depreciation								
At 1 April 2017	-	4,72,011	3,33,18,262	5,18,46,038	37,49,947	1,42,211	3,34,970	8,98,63,439
Charge for the year	-	1,30,253	51,90,439	53,61,908	2,79,222	82,052	1,59,486	1,12,03,360
Disposals	-	-	-	-	-	-	-	-
At 31 March 2018	-	6,02,264	3,85,08,701	5,72,07,946	40,29,169	2,24,263	4,94,456	10,10,66,799
Charge for the year	-	1,35,259	66,49,089	39,42,162	1,59,920	70,175	1,10,066	1,10,66,671
Disposals	-	-	28,80,484	-	-	-	-	28,80,484
At 31 March 2019	-	7,37,523	4,22,77,306	6,11,50,108	41,89,089	2,94,438	6,04,522	10,92,52,986
Net Block								
At 31 March 2018	1,02,14,500	12,40,835	2,06,40,396	1,53,48,138	3,23,926	1,54,029	3,51,195	4,82,73,019
At 31 March 2019	1,02,14,500	16,62,428	4,41,42,568	1,18,00,333	3,87,324	1,11,924	6,94,154	6,90,13,231

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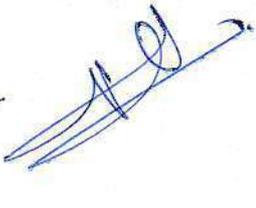
MANAPPURAM HEALTH CARE LIMITED

Notes to Financial Statements for the year ended 31-March-2019

All amounts are in Indian rupees unless otherwise stated

NOTE :11

Intangible Assets	Computer software	Total
Gross block		
At 1 April 2017	7,32,824	7,32,824
Purchase	1,11,760	1,11,760
At 31 March 2018	8,44,584	8,44,584
Purchase	-	-
At 31 March 2019	8,44,584	8,44,584
Amortization		
At 1 April 2017	4,52,344	4,52,344
Charge for the year	94,720	94,720
At 31 March 2018	5,47,064	5,47,064
Charge for the year	84,805	84,805
At 31 March 2019	6,31,869	6,31,869
Net block		
At 31 March 2018	2,97,520	2,97,520
At 31 March 2019	2,12,715	2,12,715



MANAPPURAM HEALTH CARE LIMITED

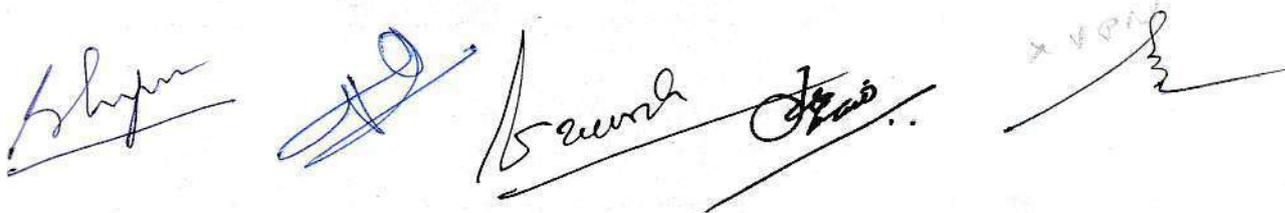
Notes to Financial Statements for the year ended 31-March-2019

All amounts are in Indian rupees unless otherwise stated

NOTE :12

Deferred tax assets (net)	31-Mar-19	31-Mar-18
Deferred tax asset at the beginning of the year	1,07,93,317	1,00,56,617
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.	1,74,975	6,90,337
Impact of expenditure charged to the statement of profit and loss account	(1,28,614)	46,363
Net deferred tax asset	1,08,39,678	1,07,93,317

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-2019

All amounts are in Indian rupees unless otherwise stated

NOTE :13

Loans and Advances	Non-current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Deposits				
Rent and Electricity deposits	1,24,91,121	1,25,21,891	-	-
Telephone Deposit	5,499	5,499	-	-
Recurring Deposit	20,04,338	11,37,101	-	-
National Saving Certificates (Pledged with Sales Tax Authorities)	2,65,000	95,000	-	-
Security Deposit with Manappuram Comptech & Consultants Limited*	22,00,000	22,00,000	-	-
	1,69,65,958	1,59,59,491	-	-
Advances				
Capital advances (Unsecured, considered good)	-	-	2,00,000	2,00,000
Prepaid Expense			21,553	40,973
Advance for Expenses			1,56,350	15,661
GST/Service tax and other tax recoverable			5,17,254	1,78,712
TOTAL	1,69,65,958	1,59,59,491	8,95,157	4,35,346

* Security Deposit towards Data Center Services and information Security Services

Particulars of Loans and Advances:-	31-Mar-19	31-Mar-18
Loans and advances considered good in respect of which the company is fully secured	2,65,000	95,000
Loans and advances considered good and unsecured	1,75,96,115	1,62,99,837
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-2019

All amounts are in Indian rupees unless otherwise stated

NOTE :14

Other Assets	Non-current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Closing Stock				
Finished goods	-	-	73,68,476	70,47,617
Consumables	-	-	23,37,476	19,21,091
Trade Receivables 14.1	-	-	7,39,636	36,06,970
Interest accrued on National Saving Certificate	-	-	53,557	45,957
Tax Deducted at Source	-	-	19,92,196	35,72,609
TOTAL	-	-	1,24,91,341	1,61,94,244

14.1 Trade Receivables	Current	
	31-Mar-19	31-Mar-18
Trade Receivable outstanding for a period exceeding six months from the date they are due for payment.	-	34,656
Other Trade Receivables	7,39,636	35,72,314
TOTAL	7,39,636	36,06,970
a) Trade receivables secured and considered good	-	-
b) Trade receivables unsecured and considered good	7,39,636	36,06,970
c) Trade receivables bad or doubtful	-	-

NOTE :15

Cash and cash equivalents	Non-current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Cash in hand	-	-	4,16,734	2,90,182
Balances with banks:				
On current accounts	-	-	12,94,899	39,63,005
Deposit with original maturity of less than 3 months	-	-	-	-
Contra balance				
TOTAL	-	-	17,11,633	42,53,187

MANAPPURAM HEALTH CARE LIMITED

Notes to Financial Statements for the year ended 31-March-2019

All amounts are in Indian rupees unless otherwise stated

NOTE :16

Revenue from operations		31-Mar-19	31-Mar-18
Revenue from sales			
Medicines and other allied products	A1	5,09,58,335	4,60,86,056
OTC Products	B1	50,21,711	53,16,250
		5,59,80,046	5,14,02,306
Less : Returns			
Medicines and other allied products	A2	6,10,533	5,88,007
OTC Products	B2	42,157	-
Less : Discount Allowed	A3	62,95,302	73,43,008
Net Sales	TOTAL (A)	4,90,32,054	4,34,71,291
Revenue from services			
Consultation charges received		84,81,981	67,38,799
Registration fees		1,95,730	1,84,649
Treatment charges		7,27,480	3,42,291
	TOTAL (B)	94,05,191	72,65,739
Diagnostics Income			
Lab income		6,41,49,170	8,06,37,901
Less: Discount Allowed		52,39,202	50,41,135
	TOTAL (C)	5,89,09,968	7,55,96,766
Other operating revenue			
Discount Received		59,575	58,676
	TOTAL (D)	59,575	58,676
GRAND TOTAL (A+B+C+D)		11,74,06,788	12,63,92,472

NOTE :17

Other income	31-Mar-19	31-Mar-18
Interest on National Savings Certificate	7,600	7,220
Interest on Electricity Deposit	57,676	66,221
Rent received	4,07,450	4,09,586
Other non-operating income	6,86,071	9,21,932
Profit on sale of asset	51,912	-
TOTAL	12,10,709	14,04,959

MANAPPURAM HEALTH CARE LIMITED

Notes to Financial Statements for the year ended 31-March-2019

All amounts are in Indian rupees unless otherwise stated

NOTE :18

Purchase of Traded Goods		31-Mar-19	31-Mar-18
Purchase :-			
Medicines and other allied products	(A1)	4,02,43,085	3,49,72,912
OTC Products	(B1)	21,85,418	21,29,212
		4,24,28,503	3,71,02,124
Less Purchase returns :-			
Medicines and other allied products	(A2)	6,56,038	7,07,834
OTC Products	(B2)	-	-
		6,56,038	7,07,834
Less: Consumption for own use:-			
Medicines and other allied products	(A3)	-	3,815
OTC Products	(B3)	-	-
		-	3,815
Less: Discount	(B4)	3,70,768	2,20,194
Net Purchase:-			
Medicines and other allied products	(A1-A2-A3)	3,95,87,047	3,42,61,263
OTC Products	(B1-B2-B3-B4)	18,14,650	19,09,018
		4,14,01,697	3,61,70,281
TOTAL			

NOTE :19

Changes in inventories of finished goods, work-in-progress and stock-in-trade		31-Mar-19	31-Mar-18
Inventories at the end of the year			
- Finished Goods		73,68,476	70,47,617
	(A)	73,68,476	70,47,617
Inventories at the beginning of the year			
- Finished Goods		70,47,617	69,50,221
	(B)	70,47,617	69,50,221
(As Valued and Certified by Management)			
Net (Increase)/Decrease (A-B)		(3,20,859)	(97,396)

Manappuram Health Care Limited

Notes to Financial Statements for the year ended 31-March-2019

All amounts are in Indian rupees unless otherwise stated

NOTE :20

Employee benefit expense	31-Mar-19	31-Mar-18
Salaries, wages and bonus	2,68,07,024	2,59,64,584
EPF Contribution (Net of PMRPY)	17,38,757	17,79,413
ESI Contribution	6,72,552	6,28,091
Gratuity expense	23,38,735	7,85,072
EDLI	80,239	90,565
Staff welfare expenses	13,798	4,952
Staff recruitment and training	5,000	4,700
TOTAL	3,16,56,105	2,92,57,377

NOTE :21

Other expenses	31-Mar-19	31-Mar-18
Advertising and sales promotion	21,44,533	13,72,271
Bad and doubtful debts	32,14,775	20,58,156
Commission	9,89,500	2,25,500
Consultation Charges	1,62,63,788	1,38,18,063
Consumables	1,23,81,744	2,02,93,865
Electricity Charges	22,28,299	19,65,138
Fuel Expenses	6,04,513	5,70,310
GST	13,87,101	10,65,947
Insurance	90,984	53,005
Interest on TDS	2,866	776
IT Support cost	18,42,600	19,11,699
Meeting Expenses	6,409	-
Membership and Subscription	16,859	20,215
Miscellaneous Expenses	18,061	46,929
Office Expenses	8,21,394	7,60,398
Outside lab charges	12,89,382	15,93,837
Payment to auditor (Refer details below)	1,75,000	1,50,000
Postage	9,775	3,038
Printing and stationery	10,02,720	12,23,062
Rent	70,08,155	68,44,919
Repairs and maintenance	29,82,260	28,21,321
Stock written off	-	7,290
Sitting fees to Directors	2,85,000	3,85,000
Stipend to trainees	1,25,929	4,02,102
Tax and fees	11,95,840	2,11,044
Telephone Expenses	7,67,126	6,76,225
Travelling and conveyance	54,63,819	38,09,255
TOTAL	6,23,18,432	6,22,89,365

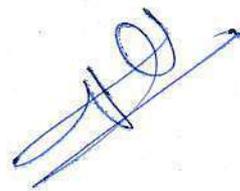
Other expenses(Contd.)	31-Mar-19	31-Mar-18
Payment to auditor		
As auditor:		
Audit fee	1,50,000	1,25,000
Tax audit fee	25,000	25,000
VAT Audit Fee	-	-
TOTAL	1,75,000	1,50,000

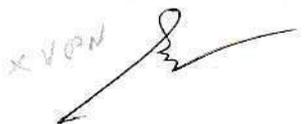
NOTE :22

Depreciation and amortization expense	31-Mar-19	31-Mar-18
Depreciation of Property,plant and equipments	1,10,66,671	1,12,03,360
Amortization of intangible assets	84,805	94,720
TOTAL	1,11,51,476	1,12,98,080

NOTE :23

Finance costs	31-Mar-19	31-Mar-18
Interest		
on Borrowings	32,56,180	39,77,623
on Trade Payables	-	1,742
Bank Charges	3,39,577	3,24,075
TOTAL	35,95,757	43,03,440

Manappuram Health Care Limited

Notes to Financial Statements for the year ended 31-March-2019

All amounts are in Indian rupees unless otherwise stated

NOTE :24

Earnings per share (EPS)	31-Mar-19	31-Mar-18
Profit/(loss) after tax	(3,11,38,750)	(1,46,87,016)
Net profit/(loss) for calculation of basic and diluted EPS (A)	(3,11,38,750)	(1,46,87,016)
Weighted average number of equity shares in calculating basic and diluted EPS	2,81,82,965	2,76,14,010
Earnings Per Share (Basic and Diluted) (A/B)	(1.10)	(0.53)

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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

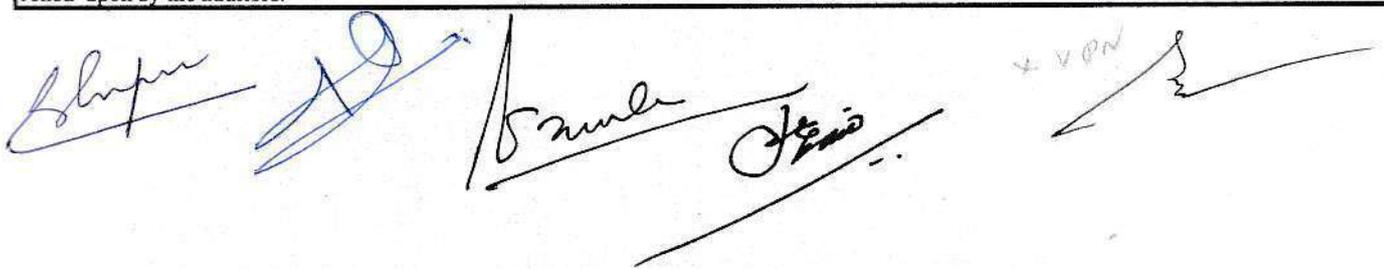
Manappuram Finance Limited
Manappuram Jewellers Limited
MABEN Nidhi Limited
Manappuram Asset Finance Limited
Manappuram Chits (India) Limited
Macare Dental Care Private Limited
Manappuram Chit Funds Company Private Limited
Manappuram Chits (Karnataka) Limited
Manappuram Comptech and Consultants Limited
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

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.



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	
	3/31/2019	3/31/2018	3/31/2019	3/31/2018	3/31/2019	3/31/2018	3/31/2019	3/31/2018
Salaries & Allowances								
Dr.P.D.Prasannan	-	-	38,10,000	34,75,000	-	-	38,10,000	34,75,000
			38,10,000	34,75,000			38,10,000	34,75,000
Sitting Fees Paid								
V.P.Nandakumar	-	-	2,85,000	3,85,000	-	-	2,85,000	3,85,000
Sushama Nandakumar	-	-	20,000	20,000	-	-	20,000	20,000
Prof.K.G.Ravi	-	-	15,000	20,000	-	-	15,000	20,000
CA Mahadevan.N.V	-	-	20,000	20,000	-	-	20,000	20,000
Dr. E. Mohandas	-	-	1,15,000	2,15,000	-	-	1,15,000	2,15,000
			1,15,000	1,10,000			1,15,000	1,10,000
Rent Paid								
Mr.V.P.Nandakumar	51,302	53,133	1,07,641	1,17,888	-	-	1,58,943	1,71,021
Manappuram Agro Farms Ltd	-	-	1,07,641	1,17,888	-	-	1,07,641	1,17,888
	51,302	53,133					51,302	53,133
Interest Paid on Loans								
Mr.V.P.Nandakumar	-	-	-	2,16,264	-	-	-	2,16,264
				2,16,264				2,16,264
Travelling Expense to Directors								
CA Mahadevan.N.V	-	-	30,000	35,000	-	-	30,000	35,000
Dr. E.Mohandas	-	-	15,000	20,000	-	-	15,000	20,000
			15,000	15,000			15,000	15,000
Insurance (Medi claim)								
Dr. P D Prasannan	-	-	-	4,500	-	-	-	4,500
				4,500				4,500
IT Support Cost								
Manappuram Comptech and Consultants Ltd	18,42,600	19,11,699	-	-	-	-	18,42,600	19,11,699
	18,42,600	19,11,699					18,42,600	19,11,699
Consultation Charges								
Manappuram Comptech and Consultants Ltd	6,72,500	6,45,250	1,24,500	-	3,57,000	3,45,000	11,54,000	9,90,250
Dr. Athira Prasannan	6,72,500	6,45,250	-	-	-	-	6,72,500	6,45,250
Dr. Mohandas	-	-	-	-	3,00,000	3,45,000	3,00,000	3,45,000
Dr.Shobhana Mohandas	-	-	1,24,500	-	-	-	1,24,500	-
					57,000	-	57,000	-
Maintenance and Repairs								
Manappuram Construction and Properties Ltd	3,91,600	4,43,220	-	-	-	-	3,91,600	4,43,220
	3,91,600	4,43,220					3,91,600	4,43,220
Security Deposit Paid								
Manappuram Comptech and Consultants Ltd	22,00,000	22,00,000	-	-	-	-	22,00,000	22,00,000
	22,00,000	22,00,000					22,00,000	22,00,000
Lease Rent Received								
Macare Dental Care Pvt	4,07,450	4,09,586	-	-	-	-	4,07,450	4,09,586
Manappuram Chits (India) Ltd	3,60,000	3,60,000	-	-	-	-	3,60,000	3,60,000
	47,450	49,586	-	-	-	-	47,450	49,586
Rent and Electricity Deposit Received								
Manappuram Chits (India) Ltd	47,541	47,541	-	-	-	-	47,541	47,541
	47,541	47,541					47,541	47,541

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Manappuram Health Care Limited

Notes to Financial Statements for the year ended 31-March-2019

All amounts are in Indian rupees unless otherwise stated

Lab income received	6,93,410	13,26,700					6,93,410	13,26,700
Manappuram Foundations (Charitable Trust)	6,93,410	13,26,700					6,93,410	13,26,700
Sale of Pharmacy Products	2,45,831	42,362	-	2,38,347	-	-	2,45,831	2,80,709
Mr.V.P.Nandakumar	2,10,809	-	-	2,38,347	-	-	2,10,809	2,38,347
Manappuram Agro Farms Ltd	35,022	42,362	-	-	-	-	35,022	42,362
Macare Dental Care Pvt	-	-	-	-	-	-	-	-
Loan From Related Parties:			3,31,23,371	3,81,74,426			3,31,23,371	3,81,74,426
V.P.Nandakumar								
Amount Accepted	-	-	5,23,34,945	1,01,91,000	-	-	5,23,34,945	1,01,91,000
Repayment(Issue of Shares)	-	-	5,73,86,000	-	-	-	5,73,86,000	-
Repayment	-	-	-	-	-	-	-	-
Balance Outstanding	-	-	3,31,23,371	3,81,74,426	-	-	3,31,23,371	3,81,74,426
Rent Payable	5,540	5,000	12,727	10,350	-	-	18,267	15,350
Manappuram Agro Farms Ltd	5,540	5,000	-	-	-	-	5,540	5,000
Mr.V.P.Nandakumar	-	-	12,727	10,350	-	-	12,727	10,350
Accounts Payable	2,07,130	11,88,984	-	-	-	-	2,07,130	11,88,984
Manappuram Comptech and Consultants Ltd	1,65,834	10,65,096	-	-	-	-	1,65,834	10,65,096
Manappuram Agro Farms Ltd	-	-	-	-	-	-	-	-
Manappuram Construction and Properties Ltd	41,296	1,23,888	-	-	-	-	41,296	1,23,888
Manappuram Chit fund Company Limited	-	-	-	-	-	-	-	-
Rent Receivable	69,466	1,61,266	-	-	-	-	69,466	1,61,266
Macare Dental Care Pvt	64,800	1,56,600	-	-	-	-	64,800	1,56,600
Manappuram Chits (India) Ltd	4,666	4,666	-	-	-	-	4,666	4,666
Lab Income Receivable	97,450	4,67,700					97,450	4,67,700
Manappuram Foundations (Charitable Trust)	-	4,67,700					-	4,67,700
Maben Nidhi Ltd	97,450						97,450	

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	2019	2018
PV of past service benefit		
Current service cost	6,91,340	4,55,978
Interest cost on benefit obligation	1,65,946	2,03,921
Expected return on plan assets	1,80,863	(1,77,185)
Net actuarial loss/(gain) recognized in the year	25,59,140	4,91,143
Past service cost	-	44,833
Net (benefit) / expense	35,97,289	10,18,690

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

Particulars	2019	2018
Defined benefit obligation	51,21,261	31,45,142
Fair value of plan assets	23,67,711	26,80,327
Asset/(liability) recognized in the balance sheet	(27,53,550)	(4,64,815)

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

Particulars	2019	2018
Opening defined benefit obligation	22,12,614	22,62,973
Interest cost	1,65,946	2,03,921
Current service cost	6,91,340	4,55,978
Benefits paid	(5,07,779)	-
Actuarial loss / (gain) on obligation	24,94,348	1,77,437
Past Service Cost	-	44,833
Closing defined benefit obligation	50,56,469	31,45,142

Note: In Financial Year 2017-18, Provision for gratuity has been made as per Actuarial valuation, as LIC valuation was less. However, in the current year, provision has been made as per LIC Valuation as the same requires higher provision.

Changes in the fair value of plan assets are as follows:	2019	2018
Opening fair value of plan assets	26,80,327	22,62,973
Expected return	1,80,863	1,77,185
Contributions by employer	14,300	5,53,875
Benefits paid	(5,07,779)	-
Actuarial gains / (losses)	-	(3,13,706)
Closing fair value of plan assets	23,67,711	26,80,327

(Signatures)

Manappuram Health Care Limited

Notes to Financial Statements for the year ended 31-March-2019

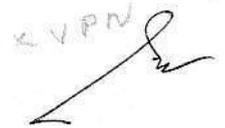
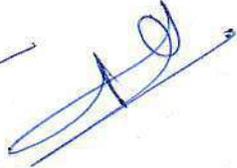
All amounts are in Indian rupees unless otherwise stated

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:	2019	2018
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 ₹17,38,757/-. (Previous year - ₹17,79,413/-).



Manappuram Health Care Limited

Notes to Financial Statements for the year ended 31-March-2019

All amounts are in Indian rupees unless otherwise stated

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 : ₹ 68,22,408
- b) Later than 1 year and not later than 5 year : ₹ 1,40,49,224
- c) Above 5 years :

The lease payment recognized in the statement of profit and loss during the year is ₹70,08,155

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 31.03.2019

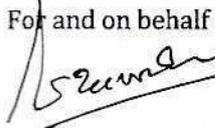
NOTE :29 COMMITMENTS

	31-Mar-19	31-Mar-18
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 conform 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: 31-07-2019