

B S R & Associates LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of Rainbow Children's Medicare Limited (formerly Known as 'Rainbow Children's Medicare Private Limited')

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Rainbow Children's Medicare Limited (formerly Known as 'Rainbow Children's Medicare Private Limited') (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone 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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity 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 Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act 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 on the standalone financial statements.

Key Audit Matter(s)

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

Impairment of Investment

See Note 2.2 B (i) (d) to the standalone financial statements

The key audit matter

How the matter was addressed in our audit

Independent Auditor's Report (Continued)

Rainbow Children's Medicare Limited (formerly Known as 'Rainbow Children's Medicare Private Limited')

<p>During the year, the Company has made investment of Rs 311.87 million (including conversion of compulsory convertible debentures of Rs 1.86 million) in one of the subsidiary companies. The total investment as at 31 March 2023 is Rs. 324.11 million (before impairment loss of Rs 46.30 million).</p> <p>Due to continued losses incurred by the subsidiary, the Company is exposed to risk in respect of the recoverability of its aforesaid investment.</p> <p>The Company carries out assessment of the impairment at every reporting period end. This assessment uses several key assumptions including estimates of future cash flows, discount rate and growth rate.</p> <p>We have identified impairment of investment as a key audit matter due to:</p> <ul style="list-style-type: none">• the significance of the carrying value of the investment;• assessment of impairment involves Company's significant judgement and estimates.	<p>In view of the significance of the matter, we performed the following procedures:</p> <ol style="list-style-type: none">1. Evaluated the design and implementation and tested operating effectiveness of key internal controls over the Company's impairment assessment process of the investment including the completeness and accuracy of the input data considered, reasonableness of assumptions considered in determining the present value of future cash flows.2. Obtained the business projections of the subsidiary and performed the following procedures:<ul style="list-style-type: none">• Compared the actual revenues and cash flows generated by the subsidiary during the year with the budgets. Agreeing current forecast with the approval of board of directors as well as our own assessment based on our knowledge of the entity.• Evaluated the management's future cash flow projections with regard to the appropriateness of key assumptions considered, including discount rate, growth rate, sensitivity analysis of the key assumptions etc, and duly considering the historical accuracy of the Company's estimate in the prior periods and comparison of the assumptions with observable market data wherever available.• Involved our valuation experts to assess the valuation methodologies and key assumptions used for impairment assessment.
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Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Independent Auditor's Report (Continued)

Rainbow Children's Medicare Limited (formerly Known as 'Rainbow Children's Medicare Private Limited')

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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

Independent Auditor's Report (Continued)

Rainbow Children's Medicare Limited (formerly Known as 'Rainbow Children's Medicare Private Limited')

material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 standalone 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on various dates and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. 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:
 - a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial

Independent Auditor's Report (Continued)

Rainbow Children's Medicare Limited (formerly Known as 'Rainbow Children's Medicare Private Limited')

position in its standalone financial statements - Refer Note 2.30(A) to the standalone financial statements.

- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 2.49 (v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 2.49 (vi) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 2.13 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.



Independent Auditor's Report (Continued)

Rainbow Children's Medicare Limited (formerly Known as 'Rainbow Children's Medicare Private Limited')

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.:116231W/W-100024



Jhahanwijha Shyamsukha

Partner

Place: Hyderabad

Date: 14 May 2023

Membership No.: 064550

ICAI UDIN:23064550BGYJJY6383

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Rainbow Children's Medicare Limited (formerly Known as 'Rainbow Children's Medicare Private Limited') for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular program of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this program, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (Rs. in millions)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Land	33.06	APIIC Limited	No	12 years	Refer Note (i) mentioned in Note 2.1 (a) of standalone financial statements
Right-of-use asset (Building)	245.36	Not Applicable	No	3 Years	Refer Note 2.34 A of standalone financial statements

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. Further the procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Rainbow Children's Medicare Limited (formerly Known as 'Rainbow Children's Medicare Private Limited') for the year ended 31 March 2023 (Continued)

between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security, to companies, firms, limited liability partnership or any other parties and also has not granted loans and advances in the nature of loans, secured or unsecured and has not made any investments in firms or limited liability partnership during the year. The Company has made investments in company and other parties and has granted loans and advances in the nature of loans, unsecured to company and other parties, in respect of which the requisite information is as below.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or provided advances in the nature of loans to companies and other parties as below:

Particulars	Loans (Rs. in million)	Advances in nature of loans (Rs. in million)
Aggregate amount during the year		
-Subsidiary*	11.35	Nil
-Others	Nil	20.32
Balance outstanding as at balance sheet date (excluding interest accrued)		
Subsidiaries*	Nil	Nil
Others	337.98	4.36

**As per the Companies Act, 2013*

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of loans and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans and advances in the nature of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans and advances in the nature of loans given.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Rainbow Children's Medicare Limited (formerly Known as 'Rainbow Children's Medicare Private Limited') for the year ended 31 March 2023 (Continued)

- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with. The Company has not provided any guarantees or security during the year.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax (GST), Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of GST and Provident Fund.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in millions)	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh Tax on Luxuries Act, 1987	Luxury tax	18.55 (amount paid under protest - 8.30)	Financial year 2010-11 to 2013-14	High court of Telangana

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Rainbow Children's Medicare Limited (formerly Known as 'Rainbow Children's Medicare Private Limited') for the year ended 31 March 2023 (Continued)

Income Tax Act, 1961 as income during the year.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) In our opinion and according to the information and explanations given to us, the Company has utilised the money raised by way of initial public offer for the purposes for which they were raised. The Company has raised funds by way of initial public offer in the month of May 2022 and the unutilised amounts as at the year ended 31 March 2023 were temporarily invested in fixed deposits and held in current account with banks. There were no funds raised by way of further public offer (including debt instruments):.

Nature of the fund raised through public offer	Purpose for which funds were raised	Total amount raised (Rs. in millions)	Amount utilized for the other purpose than stipulated (Rs. in millions)	Amount utilised for purpose as at the balance sheet date (Rs. in millions)	Unutilised balance as at balance sheet date (Rs. in millions)	Details of default (Reason/Delay)	Subsequently rectified (Yes/No) and details
Initial Public Offer	Early redemption of NCDs issued by the Company to CDC Emergin	400	Nil	400	Nil	Not Applicable (NA)	NA

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Rainbow Children's Medicare Limited (formerly Known as 'Rainbow Children's Medicare Private Limited') for the year ended 31 March 2023 (Continued)

Nature of the fund raised through public offer	Purpose for which funds were raised	Total amount raised (Rs. in millions)	Amount utilized for the other purpose than stipulated (Rs. in millions)	Amount utilised for purpose as at the balance sheet date (Rs. in millions)	Unutilised balance as at balance sheet date (Rs. in millions)	Details of default (Reason/Delay)	Subsequently rectified (Yes/No) and details
	g Markets Limited, in full						
Initial Public Offer	Capital expenditure towards setting up of new hospitals and purchase of medical equipment for such new hospitals	1,700	Nil	327.29	1,372.71	Delayed execution of one of the project has resulted in less spend of IPO money raised against the target provided in the prospectus of INR 1,065 million.	No
Initial Public Offer	General corporate purposes	561.40	Nil	Nil	561.40	As the Company is utilising the funds generated from operations, the said proceeds were not utilised.	No

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Rainbow Children's Medicare Limited (formerly Known as 'Rainbow Children's Medicare Private Limited') for the year ended 31 March 2023 (Continued)

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, there is no core investment company within the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, clause 3(xvi)(d) of the Order is not applicable. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Rainbow Children's Medicare Limited (formerly Known as 'Rainbow Children's Medicare Private Limited') for the year ended 31 March 2023 (Continued)

us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in annual report is expected to be made available to us after the date of this auditor's report.

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.:116231W/W-100024

J Shyamshukha

Jhahanwijha Shyamsukha

Partner

Place: Hyderabad

Date: 14 May 2023

Membership No.: 064550

ICAI UDIN:23064550BGYJJY6383

Annexure B to the Independent Auditor's Report on the standalone financial statements of Rainbow Children's Medicare Limited (formerly Known as 'Rainbow Children's Medicare Private Limited') for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Rainbow Children's Medicare Limited (formerly Known as 'Rainbow Children's Medicare Private Limited') ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to financial statements.

Annexure B to the Independent Auditor's Report on the standalone financial statements of Rainbow Children's Medicare Limited (formerly Known as 'Rainbow Children's Medicare Private Limited') for the year ended 31 March 2023 (Continued)

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.:116231W/W-100024

Jhahanwija Shyamsukha

Partner

Place: Hyderabad

Membership No.: 064550

Date: 14 May 2023

ICAI UDIN:23064550BGYJJY6383

Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')
Standalone Balance Sheet
(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

Particulars	Notes	As at	
		31 March 2023	31 March 2022
ASSETS			
Non-current assets			
a. Property, plant and equipment	2.1(a)	4,650.50	3,996.54
b. Capital work-in-progress	2.1(a)	208.98	46.00
c. Right-of-use of assets	2.34	4,231.17	4,119.34
d. Other intangible assets	2.1(b)	33.09	12.68
e. Intangible assets under development	2.1(b)	19.08	11.63
f. Financial assets			
(i) Investments	2.2	465.45	201.74
(ii) Loans	2.10	437.53	797.60
(iii) Other financial assets	2.3 (a)	2,255.36	548.16
g. Deferred tax assets (net)	2.29(d)	255.84	115.06
h. Income tax assets (net)	2.4	21.51	48.90
i. Other non-current assets	2.5	290.83	157.35
Total non-current assets		12,869.34	10,055.00
Current assets			
a. Inventories	2.6	176.74	138.81
b. Financial assets			
(i) Investments	2.7	581.33	220.98
(ii) Trade receivables	2.8	578.38	412.72
(iii) Cash and cash equivalents	2.9 (a)	102.36	80.45
(iv) Bank balances other than (iii) above	2.9 (b)	253.56	1,671.00
(v) Loans	2.10	-	2.47
(vi) Other financial assets	2.3 (b)	2,874.33	172.50
c. Other current assets	2.11	151.55	99.71
Total current assets		4,718.25	2,798.64
TOTAL ASSETS		17,587.59	12,853.64
EQUITY AND LIABILITIES			
EQUITY			
a. Equity share capital	2.12	1,015.02	1,049.98
b. Other equity	2.13	9,868.86	5,312.95
TOTAL EQUITY		10,883.88	6,362.93
LIABILITIES			
Non-current liabilities			
a. Financial liabilities			
(i) Borrowings	2.14	-	273.11
(ii) Lease liabilities	2.34	5,291.63	4,992.05
b. Provisions	2.15	68.02	55.69
Total non-current liabilities		5,359.65	5,320.85
Current liabilities			
a. Financial liabilities			
(i) Borrowings	2.16	-	143.53
(ii) Lease liabilities	2.34	91.27	68.33
(iii) Trade payables	2.17		
a) Total outstanding dues to micro enterprises and small enterprises		78.08	58.76
b) Total outstanding dues to creditor other than micro enterprises and small enterprises		725.03	532.46
(iv) Other financial liabilities	2.18	328.94	223.89
b. Other current liabilities	2.21	101.73	128.87
c. Provisions	2.19	18.18	14.02
d. Current tax liabilities (net)	2.20	0.83	-
Total current liabilities		1,344.06	1,169.86
TOTAL EQUITY AND LIABILITIES		17,587.59	12,853.64

Summary of significant accounting policies

1

The notes referred to above form an integral part of the standalone financial statements

As per our Report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024




Jhahanwijha Shyamsukha
Partner
Membership Number.: 064550

for and on behalf of the Board of Directors of
Rainbow Children's Medicare Limited
(formerly known as 'Rainbow Children's Medicare Private Limited')
CIN: L85110TG1998PLC029914


Dr. Ramesh Kancharla
Chairman and Managing Director
DIN: 00212270


R Gowrisankar
Chief Financial Officer


Dr. Dinesh Kumar Chirila
Director
DIN: 01395841


Ashish Kapil
Company Secretary
Membership Number: A31782

Place: Hyderabad
Date: 14 May 2023

Place: Hyderabad
Date: 14 May 2023

Place: Hyderabad
Date: 14 May 2023

Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')

Standalone Statement of Profit and Loss

(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
INCOME			
Revenue from operations	2.22	11,139.90	9,245.95
Other income	2.23	312.29	208.19
Total income		11,452.19	9,454.14
EXPENSES			
Medical consumables and pharmacy items consumed	2.24	1,501.22	1,877.98
Employee benefits expense	2.25	1,360.38	1,094.12
Finance costs	2.26	520.89	500.05
Depreciation and amortisation expense	2.27	837.08	769.87
Professional fees to doctors	2.28 (i)	2,554.04	1,857.80
Other expenses	2.28 (ii)	1,903.94	1,456.88
Total expenses		8,677.55	7,556.70
Profit before exceptional items and tax		2,774.64	1,897.44
Exceptional items	2.2	46.30	-
Profit before tax		2,728.34	1,897.44
Tax expenses:	2.29		
(a) Current tax		811.41	575.48
(b) Deferred tax credit		(142.00)	(100.95)
Total tax expense		669.41	474.53
Profit for the year		2,058.93	1,422.91
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain on defined benefit plans	2.32	4.83	13.02
Income tax effect	2.29	(1.22)	(3.28)
Other comprehensive income for the year, net of tax		3.61	9.74
Total comprehensive income for the year		2,062.54	1,432.65
Earning per share (face value of share Rs.10 each)	2.37		
- Basic (Rs)		20.40	15.18
- Diluted (Rs)		20.40	14.87
Summary of significant accounting policies	1		

The notes referred to above form an integral part of the standalone financial statements

As per our Report of even date attached

for **BSR & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024



Jhahanwija Shyamsukha
Partner
Membership Number.: 064550

for and on behalf of the Board of Directors of
Rainbow Children's Medicare Limited
(formerly known as 'Rainbow Children's Medicare Private Limited')
CIN: L85110TG1998PLC029914



Dr. Ramesh Kancharla
Chairman and Managing Director
DIN: 00212270



Dr. Dinesh Kumar Chirila
Director
DIN: 01395841



R Gowrisankar
Chief Financial Officer



Ashish Kapil
Company Secretary
Membership Number: A31782

Place: Hyderabad
Date: 14 May 2023

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Rainbow Children's Medicare Limited (formerly Rainbow Children's Medicare Private Limited)

Standalone Statement of Cash Flows

(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flows from operating activities		
Profit before tax	2,728.34	1,897.44
Adjustments:		
Depreciation and amortisation expense	837.08	769.87
Dividend income	(3.52)	(7.69)
Net gain on financial assets measured at fair value through profit or loss	(5.43)	(3.36)
Unrealised foreign exchange gain, net	1.35	(0.05)
Interest income on financial assets carries at amortised cost	(303.04)	(133.91)
Finance cost	520.89	500.05
Net gain on sale of investment	-	(8.20)
Impairment loss on non current investment	46.30	-
Inter corporate deposits written off (including interest accrued)	0.66	-
Advances written off	8.46	3.72
Allowances for doubtful advances	2.97	3.57
Bad debts written off	10.49	-
Allowance for expected credit loss	42.22	25.13
Net (gain) / loss on sale of property, plant and equipment	(0.30)	0.92
Liabilities no longer required written back	-	(54.98)
	3,886.47	2,992.51
Adjustments for working capital:		
(Increase) in inventories	(37.93)	(45.87)
(Increase) / Decrease in trade receivables	(218.37)	16.63
Decrease / (Increase) in financial and other assets	106.53	(308.38)
Increase in trade payables	210.70	130.92
(Decrease) in financial liabilities and provisions	(16.38)	(24.97)
Cash generated from operations	3,931.02	2,760.84
Income tax paid, net	(783.19)	(620.24)
Net cash from operating activities (A)	3,147.83	2,140.60
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,396.89)	(585.21)
Proceeds from sale of property, plant and equipment	1.47	0.61
Investments in unquoted equity instruments of subsidiary	(310.01)	-
Proceeds from sale of unquoted equity instruments	-	99.15
Bank deposits (placed) with maturity of more than three months, net	(3,097.03)	(982.06)
Interest received	223.60	65.30
Dividend received	3.52	7.69
Investment in mutual funds	(1,174.94)	(142.44)
Redemption of mutual funds	820.02	-
Loans given	(11.35)	(238.70)
Loans realised	338.85	83.66
Net cash (used in) investing activities (B)	(4,602.76)	(1,692.00)
Cash flows from financing activities		
Repayment of long-term borrowings	(398.11)	(60.71)
Principal payment of lease liabilities	(551.46)	(476.31)
Finance cost	(32.06)	(45.25)
Proceeds from issue of share capital (net of share issue expenses Rs. 138.60 million)	2,661.40	263.42
Dividend paid	(202.93)	(92.48)
Net cash from/(used in) financing activities (C)	1,476.84	(411.33)
Net increase in cash and cash equivalents (A+B+C)	21.91	37.27
Cash and cash equivalents at the beginning of the year	80.45	43.18
Cash and cash equivalents at the end of the year (note b)	102.36	80.45

Notes:

a) The above Standalone Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - "Statement of Cash Flows".

b) Components of cash and cash equivalents as at [Refer note 2.9 (a)]

	As at 31 March 2023	As at 31 March 2022
Cash on hand	4.93	5.01
Balance with banks:		
- Current accounts	72.43	75.44
- On deposit accounts (with original maturity of 3 months or less)	25.00	-
	102.36	80.45



Rainbow Children's Medicare Limited (formerly Rainbow Children's Medicare Private Limited)
Standalone Statement of Cash Flows

(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

c) Reconciliation between opening and closing balances in the Balance sheet for liabilities and financial assets arising from financing activities for movement in Standalone Statement of Cash Flows are given below.

	As at 31 March 2023	As at 31 March 2022
Opening balance:		
Borrowings	398.11	458.82
Interest accrued on borrowings	18.53	20.84
Lease liabilities	5,060.38	4,364.77
Movement:		
Borrowings:		
Repayment of borrowings	(398.11)	(60.71)
Interest expense	13.53	42.94
Interest repayment	(31.48)	(45.25)
Lease liabilities:		
Interest expense on lease liabilities	507.36	457.11
Addition to lease liabilities, net	264.48	714.81
Lease modification	102.14	-
Payment of lease liabilities	(551.46)	(476.31)
Closing balance:		
Borrowings	-	398.11
Interest accrued on borrowings	(12.95)	18.53
Lease liabilities	5,382.90	5,060.38

As per our Report of even date attached

for BSR & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024



Jhahanwijha Shyamsukha
Partner
Membership Number.: 064550

for and on behalf of the Board of Directors of
Rainbow Children's Medicare Limited
(formerly known as 'Rainbow Children's Medicare Private Limited')
CIN: L85110TG1998PLC029914



Dr. Ramesh Kancharla
Chairman and Managing Director
DIN: 00212270



Dr. Dinesh Kumar Chirila
Director
DIN: 01395841



R Gowrisankar
Chief Financial Officer



Ashish Kapil
Company Secretary
Membership Number: A31782

Place: Hyderabad
Date: 14 May 2023

Place: Hyderabad
Date: 14 May 2023

Place: Hyderabad
Date: 14 May 2023

Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')
 Standalone Statement of changes in equity
 (All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

Particulars	Equity share capital	Other equity			Total other equity
		General reserve	Debtenture redemption reserve	Retained earning	
Balance as at 1 April 2021	549.03	44.43	45.00	2,607.44	4,210.31
Shares issued during the year	500.95	-	-	-	250.64
Profit for the year	-	-	-	1,422.91	1,422.91
Amount transferred from debtenture redemption reserve	-	-	-	5.00	5.00
Appropriations:					
Amount transferred /utilised	-	-	(5.00)	-	(11.50)
Issue of bonus shares	-	-	-	-	(481.67)
Final dividend on equity shares for the year ended 31 March 2021, i.e. Rs. 2 per share	-	-	-	(87.92)	(87.92)
Final dividend on Series A CCPS for the year ended 31 March 2021, i.e. Rs. 2 per share	-	-	-	(2.29)	(2.29)
Final dividend on Series B CCPS for the year ended 31 March 2021, i.e. Rs. 2 per share	-	-	-	(2.27)	(2.27)
Remeasurement of defined benefit liability	-	-	-	13.02	13.02
Income tax relating to remeasurement of defined benefit liability	-	-	-	(3.28)	(3.28)
Balance as at 31 March 2022	1,049.98	44.43	40.00	3,952.61	5,312.95

Particulars	Equity share capital	Other equity			Total other equity
		General reserve	Debtenture redemption reserve	Retained earning	
Balance as at 1 April 2022	1,049.98	44.43	40.00	3,952.61	5,312.95
Shares issued during the year	74.48	-	-	-	2,834.97
Preference shares converted during the year	(109.44)	-	-	-	-
Profit for the year	-	-	-	2,058.93	2,058.93
Amount transferred from debtenture redemption reserve	-	-	-	40.00	40.00
Appropriations:					
Amount transferred /utilised	-	-	(40.00)	-	(178.60)
Final dividend on equity shares for the year ended 31 March 2022, i.e. Rs. 2 per share	-	-	-	(203.00)	(203.00)
Remeasurement of defined benefit liability	-	-	-	4.83	4.83
Income tax relating to remeasurement of defined benefit liability	-	-	-	(1.22)	(1.22)
Balance as at 31 March 2023	1,015.02	44.43	-	5,852.15	9,868.86

As per our Report of even date attached

for **B S R & Associates LLP**
 Chartered Accountants
 ICAI Firm Registration Number: 116231W/W-100024



Jahanwija Shyamsukha
 Partner
 Membership Number: 064550

for and on behalf of the Board of Directors of
Rainbow Children's Medicare Limited
 (formerly known as 'Rainbow Children's Medicare Private Limited')
 CIN: L85110TG1998PLC029914



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 Chairman and Managing Director
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R Gowrisankar
 Chief Financial Officer



Ashish Kapil
 Company Secretary
 Membership Number: A31782

Place: Hyderabad
 Date: 14 May 2023

Place: Hyderabad
 Date: 14 May 2023

Rainbow Children's Medicare Limited
(Formerly known as 'Rainbow Children's Medicare Private Limited')
Summary of Significant Accounting Policies to Standalone Financial Statements
(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

1. Significant accounting policies

1.1 Corporate information

Rainbow Children's Medicare Limited (formerly known as Rainbow Children's Medicare Private Limited) ('the Company') was incorporated on 07 August 1998 as a Private Limited Company under the Companies Act, 1956 having registered office at 8-2-120/103/1, Survey No. 403, Road No.2, Banjara Hills, Hyderabad, Telangana-500034. The Company is primarily engaged in the business of rendering medical and healthcare services.

The Company was converted into a public limited company under the Companies Act, 2013 on 20 November 2021 and consequently, the name was changed to "Rainbow Children's Medicare Limited". The Company got listed on Bombay Stock Exchange and National Stock Exchange 10 May 2022.

1.2 Basis of preparation

(i) Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013, ("the Act").

(ii) Basis of Preparation

The standalone financial statements have been prepared on a historical cost convention and on accrual basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), defined benefit and other long-term employee benefits where present value of defined benefit obligations ("DBO") is measured at fair value. The accounting policies are applied consistently to all the years presented in the standalone financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in accounting policy hitherto in use.

The standalone financial statements were approved by the Board of Directors and authorized for issue on 14 May 2023.

(iii) Functional and Presentation Currency

These Standalone Financial Statements are presented in Indian Rupees (INR or Rs.), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest million, unless otherwise indicated.

(iv) Use of estimates and judgements:

In preparing these Standalone Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an periodic basis. Revisions to accounting estimates are recognised prospectively



Rainbow Children's Medicare Limited

(Formerly known as 'Rainbow Children's Medicare Private Limited')

Summary of Significant Accounting Policies to Standalone Financial Statements

(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

Use of estimates and judgements (continued)

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the Standalone Financial Statements is included in the following notes:

Lease term: Whether the Company is reasonably certain to exercise extension options

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year is included in the following notes:

-Contingent liabilities: Contingent liabilities are not recognised in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs (except in the extremely rare circumstances where no reliable estimate can be made).

-Income taxes: Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

-Measurement of defined benefit obligations: Key actuarial assumptions used for actuarial valuation.

-Impairment of financial assets: The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost.

-Impairment of non-financial assets: Key assumptions underlying recoverable amount including forecasted projections.

- Property, plant and equipment: Useful life of asset.

-Other estimates: The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

(v) **Current versus Non-current classification**

All assets and liabilities are classified into current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.



Rainbow Children's Medicare Limited

(Formerly known as 'Rainbow Children's Medicare Private Limited')

Summary of Significant Accounting Policies to Standalone Financial Statements

(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

Current versus Non-current classification(continued)

Assets

An asset is classified as current when it satisfies any of the following criteria:

- i. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is expected to be realised within 12 months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- i. it is expected to be settled in the Company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is due to be settled within 12 months after the reporting date; or
- iv. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of fresh instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company normal operating cycle is twelve months.

(vi) Measurement of fair values

Accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.



Rainbow Children's Medicare Limited
(Formerly known as 'Rainbow Children's Medicare Private Limited')
Summary of Significant Accounting Policies to Standalone Financial Statements
(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

Measurement of fair values(continued)

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different level of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in the following notes in financial instruments [Refer note 2.44]

1.3 Significant accounting policies:

a. Financial Instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets:

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.



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1.3 Significant accounting policies (continued):

Financial Instruments(continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and - its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL -These assets are subsequently measured at fair value.Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost -These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI -These assets are subsequently measured at fair value. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.



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1.3 Significant accounting policies (continued):

iii. Derecognition

Financial assets:

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company derecognises a financial asset when:
 - the contractual rights to the cash flows from the financial asset expire; or
 - it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities:

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, the Company updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e., the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Company first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applied the policies on accounting for modifications to the additional changes.



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1.3 Significant accounting policies (continued):

Financial Instrument (continued):

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

b. Property, plant and equipment

i. Recognition and measurement:

Items of property, plant and equipment are measured at cost (which includes capitalised borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any. The cost on item of property, plant and equipment comprises its purchase price, taxes, duties, freight and any other directly attributable costs of bringing the assets to their working condition for their intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net in the standalone statement of profit and loss.

ii. Transition to IND-AS

The cost property, plant and equipment at 1 April 2016, the Company date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

iii. Subsequent costs:

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably.

iv. Depreciation:

Depreciation on Property, plant and equipment (other than for that class of assets specifically mentioned below) is calculated on a straight-line basis as per the useful life prescribed and in the manner laid down under Schedule II to the Companies Act 2013 and additions and deletions are restricted to the period of use. Depreciation is charged to standalone statement of profit and loss.

If the Management's estimate of the useful life of a property, plant and equipment is different than that envisaged in the aforesaid Schedule, depreciation is provided based on the Management's estimate of the useful life. Pursuant to this policy, depreciation on the following class of property, plant and equipment has been provided at the rates based on the following useful lives of property, plant and



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1.3 Significant accounting policies (continued):

Property, plant and equipment(continued):

equipment as estimated by Management which is different from the useful life prescribed under Schedule II of the Companies Act, 2013.

*For these classes of assets, based on technical evaluation, the Management believes that the useful lives as given above best represents the period over which Management expects to use these assets. Hence, the useful lives of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Description	Useful life (in years) by Management	Useful life (in years) under Schedule II of the Act
Buildings	60 years	60 years
Medical equipments*	7 years	13 years
Plant and equipments	15 years	15 years
Office equipments	5 years	5 years
Vehicles*	5 years	8 years
Computers	3 years	3 years
Furniture and Fixtures	10 years	10 years

Leasehold Improvements are amortised over the period of lease or the estimated useful life, whichever is lower.

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

Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date.

Advances paid towards acquisition of tangible and intangible assets outstanding at each balance sheet date are shown under other non-current assets as capital advances.

c. Intangible assets and amortisation:

Computer software acquired by the Company, the value of which is not expected to diminish in the foreseeable future, is capitalised and recorded in the Balance sheet as computer software at cost of acquisition less accumulated amortisation and accumulated impairment losses.

Computer software is amortised on straight line basis over a period of five years.

Amortisation method and useful lives are reviewed at the end of each financial year and adjusted if appropriate.

Intangible asset is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the standalone statement of profit and loss, when the asset is derecognised.



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1.3 Significant accounting policies (continued):

d. Impairment of assets

i. Impairment of financial assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Company also recognises loss allowances for ECLs on finance lease receivables, which are disclosed as financial assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade and finance lease receivables, loans and contract assets are always measured at an amount equal to lifetime ECLs.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company historical experience and informed credit assessment, that includes forward-looking information.

Measurement of expected credit losses

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.



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1.3 Significant accounting policies (continued):

Impairment of assets (continued):

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise.
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company procedures for recovery of amounts due.

ii. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an individual asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 or CGU.



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1.3 Significant accounting policies (continued):

Impairment of assets (continued):

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

e. Investments

Equity investments which are in scope of Ind AS 109 are measured at fair value. For all other equity instruments in scope of Ind AS 109, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

f. Investments in subsidiaries

Investment in equity instruments issued by subsidiary is measured at cost less impairment. Investments in subsidiary is evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis. If such investment is considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the investment exceeds the estimated recoverable amount of the investment.

g. Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable. The Company follows the first in first out (FIFO) method for determining the cost of such inventories.



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1.3 Significant accounting policies (continued):

Inventories (continued):

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

h. Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post-employment benefit

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit or loss in the periods during which the related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payment is available.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other comprehensive income (OCI). The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability considering any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.



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1.3 Significant accounting policies (continued):

Employee Benefits (continued):

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Compensated absences

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit and the accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

i. Revenue recognition

The Company's revenue from medical and healthcare services comprises of income from hospital services and sale of pharmacy items.

Income from hospital services is recognised as revenue when the related services are rendered. The performance obligations for this stream of revenue include accommodation, surgery, medical/clinical professional services, food and beverages, investigation and supply of pharmaceutical and related products.

Revenue is measured based on the transaction price, which is the fixed consideration adjusted for components of variable consideration which constitutes discounts, estimated disallowances and any other rights and obligations as specified in the contract with the customer. In determining the transaction price for the hospital services, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any). Revenue is recognised at the point in time for the inpatient / outpatient hospital services when the related services are rendered at the transaction price.

'Unbilled revenue' represents value to the extent of medical and healthcare services rendered to the patients who are undergoing treatment/ observation on the balance sheet date and is not billed as at the balance sheet date.

Revenue from sale of pharmacy is recognised when it transfers control over a good or service to the customer, generally on delivery of product to the customer.

Medical service fee is recognised when the related services are rendered unless significant future uncertainties exist.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.



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1.3 Significant accounting policies (continued):

Revenue recognition (continued)

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Contract balances:

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

j. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.



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1.3 Significant accounting policies (continued)

Leases(continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

- Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
 - variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
 - amounts expected to be payable under a residual value guarantee; and
 - the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payments.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'Property, plant and equipment' and lease liabilities separately in the balance sheet within 'Financial Liabilities'.

Short-term leases and leases of low-value assets:

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery and buildings that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.



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1.3 Significant accounting policies (continued)

Leases(continued)

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 to allocate the consideration in the contract.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

k. Income-tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.



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1.3 Significant accounting policies (continued)

Deferred tax (continued):

Deferred tax assets recognised or unrecognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

l. Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

m. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.



Rainbow Children's Medicare Limited

(Formerly known as 'Rainbow Children's Medicare Private Limited')

Summary of Significant Accounting Policies to Standalone Financial Statements

(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

1.3 Significant accounting policies (continued)

Provision (continued)

Onerous Contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

n. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the Standalone Financial Statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

o. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

p. Statement of cash flows

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing activities and financing activities of the Company are segregated.



Rainbow Children's Medicare Limited
(Formerly known as 'Rainbow Children's Medicare Private Limited')
Summary of Significant Accounting Policies to Standalone Financial Statements
(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

1.3 Significant accounting policies (continued)

q. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Where bank overdrafts/ cash credits which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. Bank overdrafts are shown within short term-borrowings in the balance sheet.

r. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

s. Share Capital

Equity shares Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

t. Share issue expenses

Share issue expenses are adjusted against the securities premium account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the securities premium account.

u. Segment reporting

Based on the "management approach" as defined in Ind AS 108, Operating Segments, the Chief Operating Decision Maker i.e. Board of Directors of the Company evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segment. Medical and Healthcare services has been considered as the only reportable segment. Hence, no separate final disclosure have been provided for the segment reporting..

v. Government Grants

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Government grants received in relation to assets are presented as a reduction to the carrying amount of the related asset.



Rainbow Children's Medicare Limited
(Formerly known as 'Rainbow Children's Medicare Private Limited')
Summary of Significant Accounting Policies to Standalone Financial Statements
(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

1.3 Significant accounting policies (continued)

w. Standards issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

1. Ind AS 1 - Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

2. Ind AS 12- Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

3. Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.



Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')
Notes to the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

2.1(a) Property, plant and equipment and capital work-in-progress

Particulars	Freehold land (refer note (i) below)	Buildings (refer note (i) below)	Leasehold Improvements	Medical equipments	Plant and equipments	Furniture and fixtures	Office equipments	Vehicles	Computers	Total	Capital work-in- progress
Gross block											
Cost as at 1 April 2021	33.06	393.57	2,312.20	1,203.93	652.54	374.73	163.02	107.28	83.08	5,323.41	286.82
Additions	-	4.54	319.17	147.49	97.02	42.06	30.89	37.43	18.14	696.74	455.63
Disposals*	-	-	(4.27)	(1.83)	(2.03)	(2.72)	(1.48)	-	(0.22)	(12.55)	(696.45)
Cost as at 31 March 2022 (A)	33.06	398.11	2,627.10	1,349.59	747.53	414.07	192.43	144.71	101.00	6,007.60	46.00
Cost as at 1 April 2022	33.06	398.11	2,627.10	1,349.59	747.53	414.07	192.43	144.71	101.00	6,007.60	46.00
Additions	-	1.00	542.05	290.80	139.65	78.48	47.43	36.20	37.08	1,172.68	1,335.67
Disposals*	-	-	-	-	(1.80)	(0.27)	-	(4.86)	(0.06)	(6.99)	(1,172.68)
Cost as at 31 March 2023 (C)	33.06	399.11	3,169.15	1,640.39	885.38	492.28	239.86	176.05	138.02	7,173.29	208.98
Accumulated depreciation:											
Accumulated depreciation as at 1 April 2021	-	1.77	469.71	549.77	150.92	147.54	111.75	50.34	63.34	1,545.14	-
Depreciation	-	6.75	137.16	181.54	50.88	40.86	25.32	20.44	13.99	476.94	-
Disposals	-	-	(4.27)	(1.83)	(1.05)	(2.72)	(0.93)	-	(0.22)	(11.02)	-
Accumulated depreciation as at 31 March 2022 (B)	-	8.52	602.60	729.48	200.75	185.68	136.14	70.78	77.11	2,011.06	-
Accumulated depreciation as at 1 April 2022	-	8.52	602.60	729.48	200.75	185.68	136.14	70.78	77.11	2,011.06	-
Depreciation	-	6.61	155.56	181.24	56.21	45.68	28.76	25.03	18.46	517.55	-
Disposals	-	-	-	-	(0.91)	(0.14)	-	(4.71)	(0.06)	(5.82)	-
Accumulated depreciation as at 31 March 2023 (D)	-	15.13	758.16	910.72	256.05	231.22	164.90	91.10	95.51	2,522.79	-
Net carrying amount											
As at 31 March 2022 (A-B)	33.06	389.59	2,024.50	620.11	546.78	228.39	56.29	73.93	23.89	3,996.54	46.00
As at 31 March 2023 (C-D)	33.06	383.98	2,410.99	729.67	629.33	261.06	74.96	84.95	42.51	4,650.50	208.98

* Disposals with respect to capital-work-in progress represents property, plant and equipment capitalisations.

Note:

(i) The Company vide sale agreement dated 3 September 2010 was allotted 1 acre of land by Andhra Pradesh Industrial Infrastructure Corporation Limited ("APIIC") for setting up a children hospital at Health city, Chinagadli, Vishakhapatnam to facilitate socio economic development within 2 years from the date of possession of land i.e. by October 2012. The Company had paid an amount of Rs. 30.88 million towards acquisition of the said land and incurred an additional amount of Rs. 2.18 million towards other incidental charges. As per the Clause 8(c) of the land agreement entered with APIIC, the construction of proposed hospital was required to be completed within 2 years from the date of taking the possession of the land, otherwise the land will need to be returned back to APIIC. The Company had filed an application with APIIC seeking extension of the timelines for development of the Project based on indicative project plan till August 2014 vide letter dated 17 August 2012. APIIC had considered the request and granted extension till the said date upon payment of condonation fee which was paid by the Company and timeline was extended upto August 2014. The Company failed to meet the revised timelines and consequently, APIIC had issued a cancellation of allotment order on 24 March 2015. The Company had submitted detailed reasons to APIIC for the delay in completion of the project and applied for revoking of the cancellation order. On 23 July 2016, APIIC had granted approval for extension of time upto December 2018. APIIC vide its letter dated 15 November 2018 has issued a show cause notice to the Company seeking explanation as to why the allotment shall not be cancelled for non implementation of the proposed project. On 13 December 2018, the Company has responded to APIIC explaining the status of the project and seeking further extension by 24 months. The Company has paid Rs.1.57 million as condonation fee and has received extension from APIIC upto 30 November 2019. While the Agreement for Sale between APIIC and the Company had been executed on 3 September 2010, the final sale deed was to be executed after commencement of regular commercial operations. The Company has commenced the commercial operations from December 2020 onwards. The Company on 29 December 2021 has paid Rs 0.69 million to APIIC Limited as condonation fees for the delay in implementation of the project. The Company has incurred capital costs amounting to Rs. 33.06 million (31 March 2022 : Rs.33.06 million) for purchase of freehold land and Rs.383.98 million (31 March 2022 : Rs.389.59 million) for the construction of the hospital building on this land.

(ii) Delhi Development authority (DDA) has granted 5,500 square meters of land on perpetual lease to Madhukar Multispecialty Hospital Research Centre (MMHRC) in Malviyanagar (Delhi) via lease deed dated 16 September 2005. MMHRC has constructed a hospital building on this land with all infrastructure and services and 50% of the space was sublet to the Company to operate and render healthcare services. DDA vide its letter dated 28 January 2019 to MMHRC has restricted subletting to 25%, instead of earlier 50% and accordingly the Company and MMHRC had executed amended the sub lease agreement dated 27 March 2019 which is effective from 1 April 2019. As at 31 March 2023, leasehold improvements and medical equipments include Rs 106.03 million and Rs 55.17 million (Rs 112.47 million and Rs 72.61 million as at 31 March 2022) respectively in respect of this hospital. The Management is utilising the assets for the purpose of providing medical services at MMHRC.

(iii) Refer note 2.41 for details of incidental expenditure capitalised during the construction period.

(iv) Refer note 2.14 for details of assets pledged as security.



Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')
Notes to the Standalone Financial Statements
(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

2.1(a) Property, plant and equipment and capital work-in-progress (continued)

Title deeds of Immovable Properties not held in name of the Company:

Particulars	As at	
	31 March 2023	31 March 2022
Relevant line item in the Balance sheet		
Description of item of property	Property, Plant and Equipment	
Gross carrying value	Land	
	33.06	
Title deeds held in the name of	Government of Andhra Pradesh	
Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	No	
Reason for not being held in the name of the Company	Refer Note (i) above	

Capital work-in-progress (CWIP) Ageing Schedule:

CWIP	Amount in CWIP for a year of			Total
	Less than 1 Year	1-2 Years	2-3 Years	
Projects in progress	205.54	2.88	0.57	208.99
Projects temporarily suspended	-	-	-	-

Note: The Company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

As at 31 March 2023

CWIP	Amount in CWIP for a year of			Total
	Less than 1 Year	1-2 Years	2-3 Years	
Projects in progress	44.92	1.08	-	46.00
Projects temporarily suspended	-	-	-	-

Note: The Company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.



Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')

Notes to the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

2.1(b) Other intangible assets and Intangible assets under development

Particulars	Other Intangible assets	Intangible assets under development
	Software	
Gross block		
Cost as at 1 April 2021		
Additions	93.21	0.91
Disposals/ capitalisation	5.42	14.92
Cost as at 31 March 2022 (A)	-	(4.20)
	98.63	11.63
Cost as at 1 April 2022		
Additions	98.63	11.63
Disposals/ capitalisation	29.13	36.58
Cost as at 31 March 2023 (C)	-	(29.13)
	127.76	19.08
Accumulated amortisation		
Accumulated amortisation as at 1 April 2021		
Amortisation	79.49	-
Disposals	6.46	-
Accumulated amortisation as at 31 March 2022 (B)	-	-
	85.95	-
Accumulated amortisation as at 1 April 2022		
Amortisation	85.95	-
Disposals	8.72	-
Accumulated amortisation as at 31 March 2023 (D)	-	-
	94.67	-
Net carrying amount		
As at 31 March 2022 (A-B)	12.68	11.63
As at 31 March 2023 (C-D)	33.09	19.08

Intangible assets under development ageing schedule:

As at 31 March 2023

Intangible assets under development	Amount in Intangible assets under development for a year of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	18.80	0.28	-	-	19.08
Projects temporarily suspended	-	-	-	-	-

Note: The Company does not have any Intangible assets under development which is overdue or has exceeded its cost compared to its original plan and hence Intangible assets under development completion schedule is not applicable.

As at 31 March 2022

Intangible assets under development	Amount in CWIP for a year of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	11.63	-	-	-	11.63
Projects temporarily suspended	-	-	-	-	-

Note: The Company does not have any Intangible assets under development which is overdue or has exceeded its cost compared to its original plan and hence Intangible assets under development completion schedule is not applicable.



Raw

Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')
Notes to the Standalone Financial Statements
(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
2.2 Non-current investments (Valued at cost unless stated otherwise)		
A. Investments at fair value through other comprehensive income		
Investments in unquoted equity instruments		
- Vamana Solar Private Limited*	0.03	0.03
2,600 shares of Rs.10 each, fully paid up (31 March 2022: 2,600 shares)		
B. Investments at cost		
(i) Investments in unquoted equity instruments - In subsidiaries		
(a) Rainbow Children's Hospital Private Limited	0.10	0.10
9,999 shares of Rs.10 each, fully paid up (31 March 2022: 9,999 shares)		
Less: Impairment loss	(0.10)	(0.10)
(b) Rainbow Women & Children's Hospitals Private Limited	-	-
9,999 shares of Rs.10 each, fully paid up (31 March 2022: 9,999 shares)	0.10	0.10
Less: Impairment loss	(0.10)	(0.10)
(c) Rainbow Speciality Hospitals Private Limited	142.51	142.51
14,185,247 shares of Rs.10 each, fully paid up (31 March 2022: 14,185,247 shares)		
(d) Rosewalk Healthcare Private Limited	324.11	12.24
36,046,585 shares of Rs.10 each, fully paid up (31 March 2022: 4,317,376 shares)		
Less: Impairment loss **	(46.30)	-
(e) Rainbow Fertility Private Limited	45.00	45.00
4,499,999 shares of Rs.10 each, fully paid up (31 March 2022: 4,499,999 shares)		
(f) Rainbow CRO Private Limited	0.10	0.10
100,000 shares of Rs.10 each, fully paid up (31 March 2022: 100,000 shares)		
(ii) Investments in unquoted debentures		
Rosewalk Healthcare Private Limited	-	1.86
Nil Compulsorily convertible debentures of Rs.10 each, fully paid up (31 March 2022: 729,209)		
	465.45	201.74
Aggregate book value of unquoted investments	465.45	201.74
Aggregate amount of impairment in value of investments	46.50	0.20
*The Company has designated the investments in Vamana Solar Private Limited as equity shares at FVOCI. The fair value of this investment as at 31 March 2023 is Rs. 0.03 million (31 March 2022: Rs. 0.03 million).		
** Due to the losses incurred by Rosewalk Healthcare Private Limited in the past two years, the Company is exposed to risk in respect of the recoverability of the investment. The Company had carried out an impairment assessment for investment made by the Company. Based on the detailed impairment evaluation carried out by the Company duly considering the discounted future cashflows of the subsidiary, the Company has assessed that impairment is required for the year ended 31 March 2023 and recognised Rs.46.30 million (31 March 2022: Nil) as an impairment loss on investment.		
The Company's exposure to credit risk and market risk related to investments has been disclosed in Note 2.42.		
2.3 (a) Other financial assets (non-current)		
Bank deposits with remaining maturity more than 12 months	2,006.06	291.40
Interest accrued on deposits	69.50	-
Security deposits	179.80	256.76
The Company's exposure to credit and market risk are disclosed in Note 2.42.	2,255.36	548.16
2.3 (b) Other financial assets (current)		
Bank deposits with remaining maturity less than 12 months	2,756.79	-
Interest accrued on deposits	87.54	-
Share issue expense receivable (refer note 2.33 (f))	-	172.50
Security deposits	30.00	-
	2,874.33	172.50
2.4 Income tax assets (net)		
Advance tax (net of provision for taxation) (refer note 2.29 (b))	21.51	48.90
	21.51	48.90
2.5 Other non-current assets (Unsecured, considered good)		
Capital advances	271.37	141.15
- to other than related parties	11.16	6.46
Prepaid expenses	8.30	9.74
Amounts paid under protest	290.83	157.35
Unsecured, considered doubtful	11.43	3.33
Capital advances (credit impaired)	(11.43)	(3.33)
Less: Allowance for doubtful advances	-	-
	290.83	157.35



	As at 31 March 2023	As at 31 March 2022
2.6 Inventories		
(valued at the lower of cost or net realisable value)		
Medical consumables and pharmacy items	176.74	138.81
	<u>176.74</u>	<u>138.81</u>
2.7 Current investments		
Investments at fair value through profit or loss		
Quoted:		
Investments in Mutual funds - quoted		
Aditya Birla Sunlife Liquid Fund - Growth - Direct Plan 55,293.93 (31 March 2022: 120,350.29 Units)	20.08	41.30
HDFC Liquid Fund - Growth - Direct Plan Nil (31 March 2022: 10,117.85 Units units)	-	42.34
HDFC Liquid Fund - Growth 8.803 Units (31 March 2022: Nil units)	0.04	-
Bandhan Liquid Fund - Daily IDCW - Direct Plan 0.10 Units (31 March 2022: 0.10 Units)	0.00	0.00
Bandhan Liquid Fund - Growth - Direct Plan 42,770.67 Units (31 March 2022: 16,479.42 Units)	116.28	42.37
ICICI Liquid Fund - Growth - Direct Plan 3,48,842.10 Units (31 March 2022: Nil units)	116.23	-
Sundaram Liquid Fund - Growth - Direct Plan 56,004.61 Units (31 March 2022: Nil units)	111.33	-
Tata Liquid Fund - Growth - Direct Plan 32,715.36 (31 March 2022: 12,602.62 Units)	116.19	42.35
Nippon India Liquid Fund - Growth - Direct Plan 18,373.67 (31 March 2022: 1,934.21 Units)	101.18	10.07
SBI Liquid Fund - Direct Plan - Daily Dividend Nil (31 March 2022: 12,765.00 Units)	-	42.55
	<u>581.33</u>	<u>220.98</u>
Aggregate amount of quoted investments and market value thereof	581.33	220.98
The Company's exposure to credit risk and market risk related to investments has been disclosed in Note 2.42.		
2.8 Trade receivables		
Trade receivables considered good - unsecured	691.19	444.93
Unbilled revenue considered good - unsecured	71.07	109.45
Total	<u>762.26</u>	<u>554.38</u>
Less: Allowance for expected credit loss	(183.88)	(141.66)
Net total trade receivables	<u>578.38</u>	<u>412.72</u>

Trade receivables are unsecured and are derived from revenue earned from providing medical, healthcare and other ancillary services. No interest is charged on the outstanding balance, regardless of the age of the balance. The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection.

The Company has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. Management makes specific provision in cases where there are known specific risks of customer default in making the repayments. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix.

The Company is subject to concentration of credit risk in its trade receivables for one customer comprising of 26% (31 March 2022: 46%) of Total Trade Receivables. Although the Company is directly affected by the financial condition of its customer, management does not believe significant credit risks exist at the balance sheet date. The Company does not require collateral or other securities to support its accounts receivable.

- (a) The Company's exposure to credit risk and loss allowances related to trade receivables are disclosed in note 2.42.
(b) Refer note 2.33 (c) for related party balances.

Trade Receivables ageing schedule:

As at 31 March 2023

Particulars	Unbilled revenue	Not due	Outstanding for following periods from due date of payment				Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	
(i) Unbilled Revenue, Undisputed - considered good	71.07	-	-	-	-	-	71.07
(ii) Undisputed Trade receivables - considered good	-	195.87	298.26	84.01	37.19	20.25	691.19
(iii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	71.07	195.87	298.26	84.01	37.19	20.25	762.26
Less: Loss allowance for doubtful trade receivables							(183.88)
Net total trade receivables							578.38

As at 31 March 2022

Particulars	Unbilled revenue	Not due	Outstanding for following periods from due date of payment				Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	
(i) Unbilled Revenue, Undisputed - considered good	109.45	-	-	-	-	-	109.45
(ii) Undisputed Trade receivables - considered good	-	101.20	144.91	86.43	34.33	49.70	444.93
(iii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	109.45	101.20	144.91	86.43	34.33	49.70	554.38
Less: Loss allowance for doubtful trade receivables							(141.66)
Net total trade receivables							412.72



	As at 31 March 2023	As at 31 March 2022
2.9 (a) Cash and cash equivalents		
Cash on hand		
Balance with banks	4.93	5.01
- On current accounts	72.43	75.44
- On deposit accounts (with original maturity of 3 months or less)	25.00	-
	102.36	80.45
2.9 (b) Bank balances other than cash and cash equivalents		
Deposit account (with original maturity more than 3 months but less than 12 months)	253.49	1,627.91
Unpaid dividend	0.07	-
Interest accrued on deposits	-	43.09
	253.56	1,671.00

(a) The Company's exposure to credit risk and market risk are disclosed in note 2.42

(b) Details of bank balances / deposits

Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	97.43	75.44
Bank deposits with original maturity more than 3 months but less than 12 months included under 'Bank balances other than cash and cash equivalents'	253.49	1,627.91
Bank deposits with original maturity more than 12 months and remaining maturity less than 12 months included under 'Other financial assets (current)'	2,756.79	-
Bank deposits with original maturity more than 12 months and remaining maturity more than 12 months included under 'Other financial assets (non-current)'	2,006.06	291.40

*Includes Rs. 139.93 million (31 March 2022: Rs. 30.87 million) towards margin money deposits against bank guarantees.

2.10 Loans (non-current)		
(Unsecured, considered good)		
Loans receivable**		
- considered good	337.98	663.54
	337.98	663.54
Interest accrued on - Loans receivable**	99.55	134.06
	437.53	797.60
Loans (current)		
(Unsecured, considered good)		
Loans receivable**		
- considered good	-	2.47
	-	2.47

** Unsecured Loans receivable aggregating as at 31 March 2023: Rs. 337.98 million (31 March 2022: Rs. 666.01 million) was given to 1 party (31 March 2022: 6 parties) at an interest rate of 9.50% p.a. (31 March 2022: 9.5% p.a). This loan was given towards the working capital requirements of the borrower.

During the previous year, the Board of Directors have approved the change in terms of repayment of loan along with interest from repayable on demand to repayable starting from 01 April 2024 for Madhukar Rainbow Children's Hospital and Rosewalk Healthcare Private Limited.

Disclosure under Section 186(4) of the Companies Act, 2013

Loans:

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	666.01	510.97
Given during the year	11.35	238.70
Written off during the year	(0.53)	-
Repaid during the year	(338.85)	(83.66)
Closing balance	337.98	666.01

Details of Loans advanced during the year ended 31 March 2023:

Name of the borrower	Nature of relationship	Purpose of deposits given	As at 1 April 2022	Given during the year	Written off during the year	Refunded during the year	As at 31 March 2023	Interest accrued
Madhukar Rainbow Children's Hospital	Others	Working capital	430.48	-	-	(92.50)	337.98	99.55
Rainbow Children's Hospital Private Limited	Related Party	Working capital	0.02	-	(0.02)	-	-	-
Rainbow Women & Children's Hospital Private Limited	Related Party	Working capital	0.51	-	(0.51)	-	-	-
Rainbow Specialty Hospital Private Limited	Related Party	Working capital	-	-	-	-	-	-
Rosewalk Healthcare Private Limited	Related Party	Working capital	233.06	11.35	-	(244.41)	-	-
Rainbow Fertility Private Limited	Related Party	Working capital	1.84	-	-	(1.84)	-	-
Rainbow C R O Private Limited	Related Party	Working capital	0.10	-	-	(0.10)	-	-
			666.01	11.35	(0.53)	(338.85)	337.98	99.55

Details of Loans advanced during the year ended 31 March 2022:

Name of the borrower	Nature of relationship	Purpose of deposits given	As at 1 April 2021	Given during the year	Written off during the year	Refunded during the year	As at 31 March 2022	Interest accrued
Madhukar Rainbow Children's Hospital	Others	Working capital	237.30	197.69	-	(4.51)	430.48	76.79
Rainbow Children's Hospital Private Limited	Related Party	Working capital	-	0.02	-	-	0.02	0.00
Rainbow Women & Children's Hospital Private Limited	Related Party	Working capital	0.49	0.02	-	-	0.51	0.08
Rainbow Specialty Hospital Private Limited	Related Party	Working capital	51.47	-	-	(51.47)	-	-
Rosewalk Healthcare Private Limited	Related Party	Working capital	220.93	39.81	-	(27.68)	233.06	56.94
Rainbow Fertility Private Limited	Related Party	Working capital	0.68	1.16	-	-	1.84	0.22
Rainbow C R O Private Limited	Related Party	Working capital	0.10	-	-	-	0.10	0.02
			510.97	238.70	-	(83.66)	666.01	134.06

2.11 Other current assets

(Unsecured, considered good)

	As at 31 March 2023	As at 31 March 2022
Advances to suppliers	92.50	30.44
Prepaid expenses	49.24	58.88
Advance to employees *	8.08	9.52
Balances with government authorities	1.73	0.87
	151.55	99.71

(Unsecured, considered doubtful)

Other advances (credit impaired)	-	3.96
Less: Allowance for doubtful advances	-	(3.96)
	-	-
	151.55	99.71

* Refer note 2.33 for salary advance to KMP



2.12 Share capital

	As at 31 March 2023	As at 31 March 2022
Authorised		
150,000,000 (31 March 2022: 139,055,616) equity shares of Rs. 10 each	1,500.00	1,390.56
Nil (31 March 2022: 1,146,771) 0.0001% Series A Compulsorily Convertible Preference Shares (Series A CCPS) of Rs. 48 each	-	55.04
Nil (31 March 2022: 1,133,309) 0.0001% Series B Compulsorily Convertible Preference Shares (Series B CCPS) of Rs. 48 each	-	54.40
	1,500.00	1,500.00
Issued, subscribed and paid-up		
101,501,687 (31 March 2022: 94,053,928) equity shares of Rs. 10 each, fully paid-up	1,015.02	940.54
Nil (31 March 2022: 1,146,771) Series A CCPS of Rs. 48 each, fully paid-up	-	55.04
Nil (31 March 2022: 1,133,309) Series B CCPS of Rs. 48 each, fully paid-up	-	54.40
	1,015.02	1,049.98

a) Reconciliation of equity and preference shares outstanding at the beginning and at the end of the year :

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
(i) Equity shares of Rs. 10 each, fully paid-up				
At the commencement of the year	94,053,928	940.54	43,958,924	439.59
Add: Shares issued during the year	5,167,679	51.68	50,095,004	500.95
Add: Converted during the year	2,280,080	22.80	-	-
At the end of the year	101,501,687	1,015.02	94,053,928	940.54
(ii) Series A CCPS of Rs. 48 each, fully paid-up				
At the commencement of the year	1,146,771	55.04	1,146,771	55.04
Add: Shares issued during the year	-	-	-	-
Less: Converted during the year	(1,146,771)	(55.04)	-	-
At the end of the year	-	-	1,146,771	55.04
(iii) Series B CCPS of Rs. 48 each, fully paid-up				
At the commencement of the year	1,133,309	54.40	1,133,309	54.40
Add: Shares issued during the year	-	-	-	-
Less: Converted during the year	(1,133,309)	(54.40)	-	-
At the end of the year	-	-	1,133,309	54.40

b) Rights, preferences and restrictions attached

i) Equity shares :

The Company has a single class of equity shares of par value Rs. 10 each, fully paid up. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

The Company, pursuant to the approval of share holders granted in the extra-ordinary general meeting dated 20 October 2021, has increased its Authorised Share Capital from Rs. 700 million to Rs. 1,500 million.

During the year, the Board of Directors of the Company in their meeting held on 08 August 2022, approved the cancellation of unissued authorised share capital of (i) 1,146,771 0.0001% Series A Compulsorily Convertible Preference Shares of face value of Rs. 48 each and (ii) 1,133,309 0.0001% Series B Compulsorily Convertible Preference Shares of face value of Rs. 48 each and increased authorised share capital of 10,944,384 Equity Shares of Rs. 10 each amounting to Rs. 109,443,840. The same is approved by the members of the Company in their Annual General Meeting held on 15 September 2022.

The Company had a rights issue offered to all the shareholders and has issued and allotted 1,928,000 equity shares of face value Rs. 10 through rights issue to an existing shareholder on 22 October 2021, there are no outstanding rights pending to be subscribed. Subsequent to the Rights Issue, pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 30 November 2021, the Company issued and allotted fully paid-up equity shares of Rs. 10 each as "bonus shares" on 01 December 2021 in the ratio of 1:1 for every one equity share and every one preference share held.

ii) Series A CCPS:

On 13 August 2013, the Company had allotted 1,146,771 Series A CCPS of Rs. 48 each, fully paid-up vide agreement dated 02 August 2013 ('the agreement') entered with British International Investment plc (formerly known as CDC Group plc). As per the agreement, at the discretion of the Series A CCPS holders, each Series A CCPS is convertible into one equity share of Rs 10 each, fully paid, at any time before the end of 18th year from the date of its allotment. In case the Series A CCPS holders do not opt for conversion, they shall be converted into 1,146,771 equity shares of Rs. 10 each, fully paid up at the end of 18th year from the date of its allotment.

The holder of this Series A CCPS are entitled to non-cumulative dividend of 0.0001%. However, in the event the Company declares any dividend on equity shares, then in addition to payment of preference dividend, the holders of Series A CCPS shall also be entitled to receive such dividend in respect of the Series A CCPS as is equivalent to the extent to which the equity shares resulting from the conversion of the Series A CCPS would have been entitled to receive such dividend.

The holders of the Series A CCPS shall be entitled to voting rights to the same extent as if they were equity share holders in respect of the number of equity shares into which the Series A CCPS are convertible. In the event of liquidation, holder of Series A CCPS has a preferential right over equity shareholders to be repaid to the extent of capital paid-up. Any surplus amount shall be distributed among all the shareholders including the Series A CCPS holder in proportion to their shareholding.

The Board of Directors of the Company in their meeting held on 04 April 2022, approved conversion of 1,146,771 0.0001% Series A Compulsorily Convertible Preference Shares (CCPS) of face value of Rs. 48 each into 1,146,771 Equity Shares of Rs. 10 each at a conversion ratio of 1:1, ranking pari passu with the existing Equity Shares of the Company.

iii) Series B CCPS:

On 04 February 2016, the Company had allotted 1,133,309 Series B CCPS of Rs. 48 each, fully paid up vide agreement dated 24 December 2015 ('the Series B agreement') entered with CDC India Opportunities Limited. As per the Series B agreement, at the discretion of the Series B CCPS holders, each Series B CCPS is convertible into one equity share of Rs 10 each, fully paid-up, at any time before the end of 18th year from the date of its allotment. In case the Series B CCPS holders do not opt for conversion, they shall be converted into 1,133,309 equity shares of Rs. 10 each, fully paid-up at the end of 18th year from the date of its allotment.

The holder of this Series B CCPS are entitled to non cumulative dividend of 0.0001%. However, in the event the Company declares any dividend on equity shares, then in addition to payment of preference dividend, the holders of Series B CCPS shall also be entitled to receive such dividend in respect of the Series B CCPS as is equivalent to the extent to which the equity shares resulting from the conversion of the Series B CCPS would have been entitled to receive such dividend.

The holders of the Series B CCPS shall be entitled to voting rights to the same extent as if they were equity share holders in respect of the number of equity shares into which the Series B CCPS are convertible. In the event of liquidation, holder of Series B CCPS has a preferential right over equity shareholders to be repaid to the extent of capital paid-up. Any surplus amount shall be distributed among all the shareholders including the Series B CCPS holder in proportion to their shareholding.

The Board of Directors of the Company in their meeting held on 04 April 2022, approved conversion of 1,133,309 0.0001% Series B Compulsorily Convertible Preference Shares of face value of Rs. 48 each into 1,133,309 Equity Shares of Rs. 10 each, at a conversion ratio of 1:1, ranking pari passu with the existing Equity Shares of the Company.



2.12 Share capital (continued)

c) Particulars of shareholders holding more than 5% shares of a class of shares:

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of shares	%	Number of shares	%
(i) Equity shares of Rs. 10 each, fully paid-up held by:				
- Dr. Ramesh Kancharla	31,494,654	31.03%	36,849,284	39.18%
- British International Investment plc (formerly known as CDC Group plc)	-	0.00%	18,118,981	19.26%
- Dr. Dinesh Kumar Chirala	6,633,380	6.54%	8,560,000	9.10%
- CDC India Opportunities Limited	-	0.00%	8,933,163	9.50%
- Adarsh Kancharla	6,110,432	6.02%	7,555,452	8.03%
- Kancharla Family Trust	5,179,200	5.10%	5,179,200	5.51%
(ii) Series A CCPS of Rs. 48 each, fully paid-up held by:				
- British International Investment plc (formerly known as CDC Group plc)	-	-	1,146,771	100%
(iii) Series B CCPS of Rs. 48 each, fully paid-up held by:				
- CDC India Opportunities Limited	-	-	1,133,309	100%

As per records of the Company, including its register of shareholder/members and other declarations received from shareholder regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

d) During the five years immediately preceding the reporting date, no shares have been bought back, issued for consideration other than cash other than disclosed below. During the year ended 31 March 2022, 48,167,004 equity shares of Rs. 10 each, fully paid up have been allotted as bonus shares by capitalisation of securities premium. During the year ended 31 March 2018, 34,679,253 equity shares of Rs. 10 each, fully paid up have been allotted as bonus shares by capitalisation of securities premium.

e) Shareholding of promoters

Description	31 March 2023			31 March 2022		
	Number of shares holding	%	% of change during the year	Number of shares holding	%	% of change during the year
Equity shares:						
Dr Ramesh Kancharla	3,14,94,654	31.03%	(14.53%)	3,68,49,284	39.18%	(6.35%)
Dr Dinesh Kumar Chirala	66,33,380	6.54%	(22.51%)	85,60,000	9.10%	(1.82%)
Dr Adarsh Kancharla	61,10,432	6.02%	(19.13%)	75,55,452	8.03%	2.77%
Kancharla Family Trust	51,79,200	5.10%	(0.00%)	51,79,200	5.51%	5.51%
Total	4,94,17,666	48.69%		5,81,43,936	61.82%	

2.13 Other equity

Particulars	Securities premium	General reserve	Debenture redemption reserve	Retained earning	Total other equity
Balance as at 1 April 2022	1,275.91	44.43	40.00	3,952.61	5,312.95
Shares issued during the year	2,834.97	-	-	-	2,834.97
Surplus in statement of profit and loss	-	-	-	2,058.93	2,058.93
Amount transferred from debenture redemption reserve	-	-	-	40.00	40.00
Appropriations:					
Amount transferred /utilised	(138.60)	-	(40.00)	-	(178.60)
Final dividend on equity shares for the year ended 31 March 2022. i.e. Rs. 2 per share	-	-	-	(203.00)	(203.00)
Remeasurement of defined benefit liability	-	-	-	4.83	4.83
Income tax relating to remeasurement of defined benefit liability	-	-	-	(1.22)	(1.22)
Balance as at 31 March 2023	3,972.28	44.43	-	5,852.15	9,868.86

Particulars	Securities premium	General reserve	Debenture redemption reserve	Retained earning	Total other equity
Balance as at 1 April 2021	1,513.44	44.43	45.00	2,607.44	4,210.31
Shares issued during the year	250.64	-	-	-	250.64
Surplus in statement of profit and loss	-	-	-	1,422.91	1,422.91
Amount transferred from debenture redemption reserve	-	-	-	5.00	5.00
Appropriations:					
Amount transferred /utilised	(6.50)	-	(5.00)	-	(11.50)
Issue of bonus shares	(481.67)	-	-	-	(481.67)
Final dividend on equity shares for the year ended 31 March 2021. i.e. Rs. 2 per share	-	-	-	(87.92)	(87.92)
Final dividend on Series A CCPS for the year ended 31 March 2021. i.e. Rs. 2 per share	-	-	-	(2.29)	(2.29)
Final dividend on Series B CCPS for the year ended 31 March 2021. i.e. Rs. 2 per share	-	-	-	(2.27)	(2.27)
Remeasurement of defined benefit liability	-	-	-	13.02	13.02
Income tax relating to remeasurement of defined benefit liability	-	-	-	(3.28)	(3.28)
Balance as at 31 March 2022	1,275.91	44.43	40.00	3,952.61	5,312.95

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

The general reserve is used time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to Standalone Statement of Profit and Loss.

Debenture redemption reserve

The Company had issued non-convertible debentures. The company is required to create debenture redemption reserve out of the profits of the Company available for payment of dividend to its shareholders.

Other comprehensive income

Remeasurements of defined benefit plans comprises of actuarial gains and losses.

Retained earnings

The amount that can be distributed by the Company as dividends to its equity and preference shareholders.

Dividend

The Board of Directors of the Company, at its meeting held on 14 May 2023, have proposed a final dividend of Rs.3 per Equity Share of Rs.10 each aggregating to Rs.304.51 million for the financial year ended 31 March 2023. The proposal is subject to the approval of the shareholders at the forthcoming Annual General Meeting. Final dividend is accounted in the year in which it is approved by the shareholders. The Board of directors of the Company on 27 May 2022 has declared a dividend of Rs.2 per Equity Share of Rs.10 each aggregating to Rs.203.00 million for the year ended 31 March 2022 and the same has been approved by the shareholders on 15 September 2022 in the Annual General Meeting.



Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')
Notes to the Standalone Financial Statements
(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
2.14 Borrowings (non-current)		
Secured		
Debentures (at amortised cost)		
Nil (31 March 2022: 500) 9.5% redeemable non-convertible debentures (NCD) of Rs. Nil (31 March 2022: 800,000) each (secured) (refer note A below)	-	273.11
	-	273.11

A. The Company had entered into a debenture trust deed agreement with CDC Emerging Markets Limited for issue of 1,000 NCD with a face value of Rs. 1,000,000 each. The following is the status of debentures allotted:

- 10 NCD allotted on 5 October 2016 aggregating to Rs. 10 million
- 90 NCD allotted on 9 February 2017 aggregating to Rs. 90 million
- 400 NCD allotted on 4 July 2018 aggregating to Rs. 400 million.

These NCDs are secured by first ranking fixed charge over all fixed assets (including real estate and mortgage over fixed assets) of the issuer (pari passu with existing secured creditors in relation to existing assets; in priority to existing secured creditors with respect to new assets) and first ranking floating charge over all current assets, including bank assets and receivables of the Company. The company has modified the terms vide amended agreement dated 28 September 2021. As per the amended agreement, the Company shall be entitled to voluntarily pre-pay the NCDs on and from 30 June 2022 only. During the year, The Company has repaid entire NCDs on 09 June 2022 by utilising proceeds from IPO.

B. The Company's exposure to liquidity and interest rate risk relating to borrowings are disclosed in note 2.42

	As at 31 March 2023	As at 31 March 2022
2.15 Provisions (non-current)		
Provision for employee benefits		
- Gratuity (refer note 2.32(b))	68.02	55.69
	68.02	55.69
2.16 Borrowings (current)		
Current maturities of long-term borrowings (refer note 2.14)	-	125.00
Interest accrued but not due on borrowings	-	18.53
	-	143.53

Note:

(a) The Company's exposure to liquidity and interest rate risk relating to borrowings are disclosed in note 2.42.

2.17 Trade payables

Trade payables

- total outstanding dues to micro enterprises and small enterprises (MSME) (refer note 2.39)
- total outstanding dues to creditors other than micro enterprises and small enterprises

78.08	58.76
725.03	532.46
803.11	591.22

The Company's exposure to liquidity and currency risk and loss allowances related to trade payables are disclosed in note 2.42
Refer note 2.33 for related party balances.

Trade payables ageing schedule

As at 31 March 2023

Particulars	Unbilled dues	Not due	Outstanding for following years periods due date of payment				Total
			Less than - 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME (refer note 2.39)	-	-	78.08	-	-	-	78.08
ii) Others	118.05	53.42	542.52	9.38	1.26	0.40	725.03
iii) Disputed dues-MSME	-	-	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-	-	-
Total	118.05	53.42	620.60	9.38	1.26	0.40	803.11

As at 31 March 2022

Particulars	Unbilled dues	Not due	Outstanding for following years periods due date of payment				Total
			Less than - 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME (refer note 2.39)	-	-	58.76	-	-	-	58.76
ii) Others	134.42	27.22	367.93	1.89	0.75	0.25	532.46
iii) Disputed dues-MSME	-	-	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-	-	-
Total	134.42	27.22	426.69	1.89	0.75	0.25	591.22

2.18 Other financial liabilities

- Employee benefit payables ^
- Creditor for capital goods^
- Other payables

	As at 31 March 2023	As at 31 March 2022
161.32	168.91	
167.55	52.02	
0.07	2.96	
328.94	223.89	

^ Refer note 2.33 for related party balances.

The Company's exposure to liquidity risk related to other financial liabilities are disclosed in note 2.42.



Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')
 Notes to the Standalone Financial Statements
 (All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
2.19 Provisions (current)		
Provision for employee benefits		
Gratuity (refer note 2.32 (b))	3.43	2.32
Compensated absences	12.81	9.76
Provision for claims, other than taxes*	16.24	12.08
	1.94	1.94
	18.18	14.02
*Movement in provision for claims, other than taxes:		
Opening balance		
Add: Addition during the year	1.94	1.94
Less: Utilisation/ reversal during the year	-	-
Closing balance	1.94	1.94
Provision for claims, other than taxes represents claims pending before Courts and based on Management's estimate of claims, provision is made on prudent basis that possible outflow of resources may arise in future.		
2.20 Current tax liability (net)		
Provision for taxation (net of advance tax)	0.83	-
	0.83	-
2.21 Other current liabilities		
Contract liabilities (advance from patients)	28.59	83.26
Statutory liabilities (ESI, PF, GST, TDS etc)	73.14	45.61
	101.73	128.87

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Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')
Notes to the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

	For the year ended 31 March 2023	For the year ended 31 March 2022
2.22 Revenue from operations		
Income from medical and healthcare services		
- Revenue from hospital services (Refer note 2.45)	9,655.51	8,046.18
- Revenue from pharmacy sales (Refer note 2.45)	1,138.56	929.53
- Revenue from medical service fee (Refer note 2.45)	225.41	168.75
	11,019.48	9,144.46
Other operating income		
- Cord blood extraction	31.84	27.41
- Canteen income	37.73	24.67
- Sponsorship income	22.72	28.60
- Others	28.13	20.81
	120.42	101.49
Total revenue from operations	11,139.90	9,245.95
2.23 Other income		
Interest income on financial assets carried at amortised cost		
- bank deposits	240.46	63.48
- Loans (Refer note 2.33)	50.81	59.97
- financial assets carried at amortised cost	11.77	10.46
Dividend income	3.52	7.69
Net gain on financial assets measured at fair value through profit or loss	5.43	3.36
Liabilities no longer required written back	-	54.98
Gain on sale of property, plant and equipment, net	0.30	-
Gain on sale of non-current investment	-	8.20
Foreign exchange gain, net	-	0.05
	312.29	208.19
2.24 Medical consumables and pharmacy items consumed		
Inventory at the beginning of year	138.81	92.94
Add: Purchases	1,539.15	1,923.85
Less: Closing Inventory	(176.74)	(138.81)
	1,501.22	1,877.98
2.25 Employee benefits expense *		
Salaries, wages and bonus	1,222.42	985.09
Contribution to provident and other funds	49.18	41.11
Gratuity expense (refer note : 2.32)	22.52	20.63
Staff welfare expenses	66.26	47.29
	1,360.38	1,094.12
* Net of amount capitalised (refer note 2.41)		
2.26 Finance costs		
Interest cost on financial liabilities measured at amortised cost		
- term loans from banks	-	0.53
- on debentures	7.29	39.65
Interest expense on lease liabilities (Refer note 2.34)	507.36	457.11
Others (including interest on income tax)	6.24	2.76
	520.89	500.05
2.27 Depreciation and amortisation expense		
Depreciation on property, plant and equipment (Refer note 2.1(a))	517.55	476.94
Amortisation of intangible assets (Refer note 2.1(b))	8.72	6.46
Depreciation of right-of-use assets (Refer note 2.34)	310.81	286.47
	837.08	769.87



Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')
Notes to the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

	For the year ended 31 March 2023	For the year ended 31 March 2022
2.28 (i) Professional fees to doctors	2,554.04	1,857.80
2.28 (ii) Other expenses *	2,554.04	1,857.80
Hospital maintenance	59.31	45.36
Canteen expenses	180.45	136.46
Contract wages	254.07	214.18
Housekeeping expenses	70.37	47.40
Power and fuel	194.23	149.75
Lab and investigations	112.69	122.29
Repairs and maintenance		
- Plant and equipment	64.73	41.21
- Others	194.33	130.23
Rent (Refer note 2.34)	13.22	14.05
Rates and taxes	111.08	96.41
Business promotion and advertisement	262.75	205.81
Travelling and conveyance	48.58	23.11
Printing and stationary	71.56	46.64
Bad debts written off	10.49	-
Inter corporate deposits written off (including interest accrued)	0.66	-
Allowance for expected credit loss	42.22	25.13
Advances written off and allowance for doubtful advances	11.43	7.29
Loss on sale of property, plant and equipment, net	-	0.92
Communication expenses	60.88	54.77
Insurance	12.09	9.77
Professional and consultancy (refer note 2.36)	56.96	30.57
Directors sitting fees	5.02	2.95
Donations	0.40	-
Corporate social responsibility (refer note 2.40)	24.33	16.96
Bank charges	30.01	27.97
Foreign exchange loss, net	1.35	-
Miscellaneous expenses	10.73	7.65
	1,903.94	1,456.88
* Net of amount capitalised (refer note 2.41)		
2.29 Tax expense, net		
Current tax	811.41	575.48
Deferred tax credit	(140.78)	(97.67)
	670.63	477.81
a. Reconciliation of effective tax rate		
Profit before tax	2,728.34	1,897.44
Enacted tax rates	25.17%	25.17%
Tax expense at enacted rates	686.67	477.55
80JJA deduction	(2.34)	-
Expenses not deductible for tax	4.11	4.09
Others	(17.81)	(3.83)
	670.63	477.81



2.29 Tax expenses, net (continued)

b. The following table provides the details of income tax assets and income tax liabilities:

	As at 31 March 2023	As at 31 March 2022
Income tax assets, net	21.51	48.90
Current tax liabilities, net	(0.83)	-
Net current income tax assets at the end of the year	20.68	48.90

c. The gross movement in the net income tax (liabilities)/ assets is as follows:

Net income tax assets at the beginning of the year	48.90	4.14
Income tax paid	783.19	620.24
Income tax expense for the year	(811.41)	(575.48)
Net current income tax assets at the end of the year	20.68	48.90

d. Recognition of deferred tax assets and liabilities

(i) Deferred tax assets and liabilities are attributable to the following

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax liability		
Property, plant and equipment	257.47	267.36
Right-of-use of Asset	955.11	973.53
Others	1.37	1.32
Total deferred tax liability	1,213.95	1,242.21
Deferred tax asset		
Loss allowance on receivables	59.72	35.66
Provision for employee benefits	22.42	17.06
Provision for bonus	32.88	30.85
Lease liabilities	1,354.77	1,273.70
Total deferred tax asset	1,469.79	1,357.27
Net deferred tax assets	255.84	115.06

(ii) Movement in temporary differences

Particulars	Balance as at 1 April 2022	Recognised in standalone statement of profit or loss during the year	Recognised in OCI during the year	Balance as at 31 March 2023
Loss allowance on receivables	35.66	24.06	-	59.72
Provision for employee benefits	17.06	6.58	(1.22)	22.42
Provision for bonus	30.85	2.03	-	32.88
Lease liabilities	1,273.70	81.07	-	1,354.77
Right-of-use of Asset	(973.53)	18.42	-	(955.11)
Others	(1.32)	(0.05)	-	(1.37)
Property, plant and equipment	(267.36)	9.89	-	(257.47)
	115.06	142.00	(1.22)	255.84

Particulars	Balance as at 1 April 2021	Recognised in standalone statement of profit or loss during the year	Recognised in OCI during the year	Balance as at 31 March 2022
Loss allowance on receivables	29.33	6.33	-	35.66
Provision for employee benefits	19.29	1.05	(3.28)	17.06
Provision for bonus	25.06	5.79	-	30.85
Lease liabilities	1,098.52	175.18	-	1,273.70
Right-of-use of Asset	(863.21)	(110.32)	-	(973.53)
Others	-	(1.32)	-	(1.32)
Property, plant and equipment	(291.60)	24.24	-	(267.36)
	17.39	100.95	(3.28)	115.06



Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')

Notes to the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

2.30 Contingent liabilities and commitments

A) Contingent liabilities

	As at 31 March 2023	As at 31 March 2022
(i) Demands under dispute		
- Value added tax, central sales tax and service tax demand under dispute	-	32.40
- Luxury tax demand under dispute	18.55	18.55
(ii) Claims against the Group not acknowledged as debt (Medico-legal) *	84.85	84.66
	<u>103.40</u>	<u>135.61</u>

* The Company is involved in the disputes, law suites, claims from patients/patient relatives that arise from time to time in ordinary course of business. Based on external legal advise, management believes none of the matters, either in individual or in aggregate will have any material effect on its standalone financial statements, as the management believes it has a reasonable case in its defence of proceedings and hence, no provision is recognised in the standalone financial statements.

iii) In February 2019, the Honourable Supreme Court of India vide its judgement, clarified the definition and scope of 'Basic Wages' under the Employees' Provident Funds & Miscellaneous Provision Act, 1952. The judgement is silent on the retrospective application and in the absence of any guidelines by the regulatory authorities and considering the practical difficulties, no effect is given for the earlier years as the same is currently not determinable.

B) Capital commitments

	As at 31 March 2023	As at 31 March 2022
- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	373.50	450.40

2.31(a) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

2.31(b) There were no amounts which were required to be transferred to Investor Education Protection Fund by the Company.



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Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')
Notes to the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

2.32 Employee benefit plans

A. The employee benefit schemes are as under:

(a) Defined contribution benefit plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident fund and Employee state insurance (ESI), which is a defined contribution plan. The contribution is charged to the Statement of standalone profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident fund and ESI for the year ended 31 March 2023 amounts to Rs. 40.78 million and Rs. 8.40 million respectively (31 March 2022: Rs. 33.53 million and Rs. 7.58 million respectively) (refer note 2.25).

(b) Defined benefit plans

The Company provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days' salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit, restricted to a sum of Rs. 2.00 million

The following table sets out the status of the unfunded gratuity plan as required under Ind AS 19 "Employee Benefits":

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

	As at 31 March 2023	As at 31 March 2022
Opening defined benefit obligation	58.01	56.07
Current service cost	18.42	16.75
Interest cost	4.12	3.77
Actuarial (gain)/loss	(4.83)	(13.02)
Benefits paid	(4.27)	(5.56)
Benefit obligation at the end of the year	71.45	58.01
Provisions (current) (Refer note 2.19)	3.43	2.32
Provisions (non-current) (Refer note 2.15)	68.02	55.69

Gratuity expense recognised in the statement of profit and loss:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	18.42	16.75
Interest on defined benefit obligation	4.12	3.77
Net actuarial (gain) recognised during the year	(4.83)	(13.02)
Net gratuity expense	17.71	7.50

Re-measurements recognised in other comprehensive income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial (gain)/loss on defined benefit obligation		
- Actuarial (gain) arising from change in financial assumptions	(2.26)	(3.06)
- Actuarial (gain) arising on account of experience changes	(2.57)	(9.96)
Actuarial (gain) recognised in other comprehensive income	(4.83)	(13.02)

Summary of actuarial assumptions

Financial assumptions at balance sheet date:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Discount rate		
Salary escalation rate	7.50% p.a	7.25% p.a
Attrition rate	8% p.a	8% p.a
Age 21 to 30		
Age 31 to 40	10% p.a	10% p.a
Age 41 to 50	5% p.a	5% p.a
51 and above	3% p.a	3% p.a
Retirement Age	2% p.a	2% p.a
	58 years	58 years

Maturity profile of defined benefit obligation

	As at 31 March 2023	As at 31 March 2022
1st following year	3.43	2.32
Year 2 to 5	15.11	12.45
Year 6 to 9	20.44	15.00
For 10 years and above	184.86	148.76

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Sensitivity analysis: Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant would have affected the defined benefit obligation by the amounts shown below:

	As at 31 March 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (50 bps movement)	67.23	76.08	54.49	61.87
Salary escalation rate (50 bps movement)	75.80	67.42	61.72	54.60

Expected contributions to the plan for the next annual reporting year

Expected contribution to post-employment benefit plans for the financial year ending 31 March 2024 is Rs. 3.43 millions.

The weighted average duration of the defined benefit obligation is 12.37 years (31 March 2022: 12.69 years)



Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')

Notes to the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

2.33 Related parties

a) Names of the related parties and description of relationship:

Entities in which control exists (Subsidiaries)	Rainbow Children's Hospital Private Limited Rainbow Women & Children's Hospital Private Limited Rainbow Speciality Hospitals Private Limited Rosewalk Healthcare Private Limited Rainbow Fertility Private Limited Rainbow C R O Private Limited
Key managerial personnel (KMP)	Dr. Ramesh Kancharla, Chairman and Managing Director Dr. Dinesh Kumar Chirla, Whole-Time Director Mr. Anil Dhawan, Independent Director Mr. Santanu Mukherjee, Independent Director (appointed w.e.f 22 October 2021) Ms. Sundari Raviprasad Pisupati, Independent Director (appointed w.e.f 16 September 2021) Mr. Aluri Srinivasa Rao, Independent Director Mr. R. Gowrisankar, Chief Financial Officer Ms. Pratusha Channamalla, Company Secretary (appointed w.e.f 01 September 2021, resigned w.e.f 22 October 2021) Mr. Ashish Kapil, Company Secretary (appointed w.e.f 22 October 2021) Mr. Yugandhar Meka, Independent director (resigned w.e.f 16 September 2021) Mr. Nagarajan Srinivasan, Nominee Director (resigned w.e.f 09 December 2021) Mr. Ashish Ahluwalia, Nominee Director (resigned w.e.f 09 December 2021)
Relative of key managerial personnel	Mrs. Padma Kancharla, wife of Dr. Ramesh Kancharla Dr. Adarsh Kancharla, son of Dr. Ramesh Kancharla Mr. Ramadhara Naidu Kancharla, brother of Dr. Ramesh Kancharla
Enterprise exercising significant influence on the Company	British International Investment plc (formerly known as CDC Group plc) (upto 05 December 2022) CDC India Opportunities Limited (up to 05 December 2022) CDC Emerging Markets Limited (up to 05 December 2022)
Enterprises where key managerial personnel along with their relatives exercise significant influence	Ravindranath GE Medical Associates Private Limited Rainbow Children's Foundation (Trust) Sesha Sarojini Medical Infra Private Limited
Enterprises where relative of key managerial personnel is a member	Unimed Healthcare Private Limited

(b) Following is the summary of significant related party transactions during the year:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from professional services rendered		
- Ravindranath GE Medical Associates Private Limited	-	0.00
- Rainbow Children's Foundation (Trust)	1.95	4.77
- Rainbow Speciality Hospitals Private Limited	-	2.23
- Mrs. Padma Kancharla	-	0.16
Revenue from pharmacy sales		
- Rainbow Speciality Hospitals Private Limited	7.77	2.63
- Rosewalk Healthcare Private Limited	11.43	10.53
Revenue from medical service fee		
- Rainbow Speciality Hospitals Private Limited	3.18	0.70
- Rosewalk Healthcare Private Limited	7.20	
Other expense		
- Rainbow Children's Hospital Private Limited	0.13	-
- Rainbow Women & Children's Hospital Private Limited	0.13	-
- Rainbow C R O Private Limited	0.23	-
Professional services received		
- Ravindranath GE Medical Associates Private Limited	7.71	5.27
Medical consumables and pharmacy items		
- Rainbow Speciality Hospitals Private Limited	0.23	2.34
- Rosewalk Healthcare Private Limited	0.35	0.16
Reimbursement of expenditure		
- Rainbow Speciality Hospitals Private Limited	0.53	-



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Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')

Notes to the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

2.33 Related parties (continued)

(b) Following is the summary of significant related party transactions during the year:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Security deposit given		
- Unimed Healthcare Private Limited	-	30.00
Rental expenditure		
- Unimed Healthcare Private Limited	24.38	-
- Rainbow Speciality Hospitals Private Limited	0.76	-
Interest income on inter-corporate deposit		
- Rainbow Children's Hospital Private Limited	0.00	0.00
- Rainbow Women & Children's Hospital Private Limited	0.04	0.05
- Rainbow Speciality Hospitals Private Limited	-	2.36
- Rosewalk Healthcare Private Limited	11.30	21.27
- Rainbow Fertility Private Limited	0.04	0.13
- Rainbow C R O Private Limited	0.01	0.01
Proceeds from sale of investments		
- Rainbow Speciality Hospitals Private Limited	-	10.95
Investment in equity share capital		
- Rosewalk Healthcare Private Limited	310.00	-
Inter-corporate deposits placed		
- Rainbow Children's Hospital Private Limited	-	0.02
- Rainbow Women & Children's Hospital Private Limited	-	0.02
- Rosewalk Healthcare Private Limited	11.35	39.81
- Rainbow Fertility Private Limited	-	1.16
Inter-corporate deposit realised		
- Rainbow Fertility Private Limited	1.84	-
- Rainbow Speciality Hospitals Private Limited	-	51.47
- Rosewalk Healthcare Private Limited	244.42	27.68
- Rainbow C R O Private Limited	0.10	-
Inter-corporate deposit written off		
- Rainbow Women & Children's Hospital Private Limited	0.51	-
- Rainbow Children's Hospital Private Limited	0.02	-
Interest on Inter-corporate deposit realised		
- Rainbow Speciality Hospitals Private Limited	-	17.75
- Rosewalk Healthcare Private Limited	68.25	-
- Rainbow Fertility Private Limited	0.25	-
- Rainbow C R O Private Limited	0.03	-
Interest accrued on inter corporate deposit written off		
- Rainbow Women & Children's Hospital Private Limited	0.12	-
- Rainbow Children's Hospital Private Limited	0.00	-
Impairment of investment in Equity shares		
- Rosewalk Healthcare Private Limited	46.30	-
Salary advance to KMP		
- Mr. R.Gowrisankar	-	2.20
Professional charges		
- Dr. Dinesh Kumar Chirla	39.80	26.49
- Mr. Ramadhara Naidu Kancharla	-	1.93
Expenses incurred on behalf of related parties		
- Mr. Ramadhara Naidu Kancharla	0.02	0.01
Remuneration to KMP*		
- Dr. Ramesh Kancharla	65.00	60.00
- Dr. Dinesh Kumar Chirla	-	8.86
- Mr. R.Gowrisankar	10.27	8.53
- Ms. Pratusha Channamalla	-	0.09
- Mr. Ashish Kapil	2.80	1.54



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(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

2.33 Related parties (continued)

(b) Following is the summary of significant related party transactions during the year:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Project management consultancy fee to relative of KMP		
- Mr. Ramadhara Naidu Kancharla	6.00	3.00
Consultancy fee to relative of KMP		
- Dr. Adarsh Kancharla	0.60	-
Commission to Independent Directors		
- Mr. Yugandhar Meka	-	0.50
- Mr. Aluri Srinivasa Rao	1.00	1.00
- Mr. Anil Dhawan	1.00	1.00
- Mrs. Sundari Raviprasad Pisupati	1.00	0.50
- Mr. Santanu Mukherjee	1.00	0.50
Sitting fees paid to Independent Directors		
- Mr. Yugandhar Meka	-	0.10
- Mr. Anil Dhawan	1.05	0.70
- Mr. Aluri Srinivasa Rao	1.10	0.53
- Mrs. Sundari Raviprasad Pisupati	0.90	0.58
- Mr. Santanu Mukherjee	1.20	0.60
Leave Travel Allowance paid to KMP		
- Dr. Ramesh Kancharla	2.57	-
- Dr. Dinesh Kumar Chirla	1.20	-
Expenditure incurred on behalf of KMP		
- Dr. Ramesh Kancharla	-	0.01
Civil works		
- Sessa Sarojini Medical Infra Private Limited	-	1.22
Sale of investment in equity shares in Unimed Healthcare Private Limited		
- Mrs. Padma Kancharla	-	80.00
- Gain on sale of equity	-	8.20
Redemption of 9.50% redeemable non-convertible debentures		
- CDC Emerging Markets Limited	400.00	50.00
Interest on 9.50% redeemable non-convertible debentures		
- CDC Emerging Markets Limited	7.29	39.65
Interest paid on 9.50% redeemable non-convertible debentures		
- CDC Emerging Markets Limited	25.82	41.97
Dividend paid during the year to KMP and relative of KMP		
- Dr. Ramesh Kancharla	629.89	40.03
- Dr. Dinesh Kumar Chirla	132.67	9.60
- Mrs. Padma Kancharla	-	3.60
- Dr. Adarsh Kancharla	122.21	4.62
- Mr. Ramadhara Naidu Kancharla	1.20	-
- Mr. R.Gowrisankar	0.81	-
- Mr. Ashish Kapil	0.02	-
Dividend paid (on equity share capital and Series A compulsorily convertible preference shares)		
- British International Investment plc (formerly known as CDC Group plc)	-	19.27
Dividend paid (on equity share capital and Series B compulsorily convertible preference shares)		
- CDC India Opportunities Limited	-	10.07

*The KMP are covered by the Company's gratuity policy and are eligible for compensated absences along with other employees of the Company. The proportionate amount of gratuity and compensated absences cost pertaining to the KMP has not been included in the aforementioned disclosures as these are not determined on an individual basis.



Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')

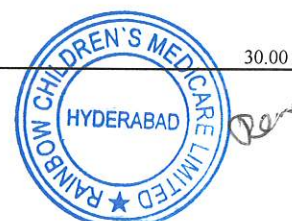
Notes to the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

c) The Company has the following amounts due from/ to the related parties

	As at 31 March 2023	As at 31 March 2022
Trade payables		
- Ravindranath GE Medical Associates Private Limited	0.01	-
- Rainbow Speciality Hospitals Private Limited	0.00	-
- Rosewalk Healthcare Private Limited	2.70	0.95
- Rainbow Children's Foundation (Trust)	0.04	-
Trade receivables		
- Rainbow Speciality Hospitals Private Limited	0.01	-
- Rosewalk Healthcare Private Limited	25.38	23.95
- Rainbow Children's Foundation (Trust)	0.00	0.09
Salary advance to KMP		
- Mr. R.Gowrisankar	0.40	1.60
Project management consultancy fee payable to relative of KMP		
- Mr. Ramadhara Naidu Kancharla	0.50	0.50
Consultancy fee payable to relative of KMP		
- Dr. Adarsh Kancharla	0.10	-
Commission payable to Independent Directors		
- Mr. Yugandhar Meka	-	0.50
- Mr. Aluri Srinivasa Rao	1.00	1.00
- Mr. Anil Dhawan	1.00	1.00
- Mrs. Sundari Raviprasad Pisupati	1.00	0.50
- Mr. Santanu Mukherjee	1.00	0.50
Debentures (before adjustments of transaction costs incurred as required as per IND AS 109)		
- CDC Emerging Markets Limited	-	400.00
Interest accrued but not due on long-term borrowings payable		
- CDC Emerging Markets Limited	-	18.53
Professional fee payable to KMP		
- Dr. Dinesh Kumar Chirla	3.35	2.90
Leave Travel Allowance payable to KMP		
- Dr. Dinesh Kumar Chirla	0.61	-
Non-current investments in equity shares		
- Rainbow Women & Children's Hospital Private Limited	0.10	0.10
- Rainbow Speciality Hospitals Private Limited	142.51	142.51
- Rainbow Children's Hospital Private Limited	0.10	0.10
- Rosewalk Healthcare Private Limited	324.11	12.24
- Rainbow Fertility Private Limited	45.00	45.00
- Rainbow C R O Private Limited	0.10	0.10
Non-current investments in debentures		
- Rosewalk Healthcare Private Limited	-	1.86
Inter corporate deposits		
- Rainbow Women & Children's Hospital Private Limited	-	0.51
- Rainbow Children's Hospital Private Limited	-	0.02
- Rosewalk Healthcare Private Limited	-	233.06
- Rainbow Fertility Private Limited	-	1.84
- Rainbow C R O Private Limited	-	0.10
Interest accrued on inter corporate deposits		
- Rainbow Women & Children's Hospital Private Limited	-	0.08
- Rainbow Children's Hospital Private Limited	-	0.00
- Rosewalk Healthcare Private Limited	-	56.94
- Rainbow Fertility Private Limited	-	0.22
- Rainbow C R O Private Limited	-	0.02
Rent Payable		
-Unimed Healthcare Private Limited	3.75	-
Rental Security Deposit		
-Unimed Healthcare Private Limited	30.00	30.00

d) Refer note 2.12 (b) (ii) and (iii) for conversion of preference shares to equity shares.



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e) Refer note 2.2 for details of investment made in subsidiaries.

f) Share issue expenses (refer note 2.3 (b) - Share issues expenses receivable) of Rs. Nil (31 March 2022 : Rs. 172.50 million) incurred by the Company is towards Initial Public Offering ('IPO') of the equity shares held by the selling shareholders. As per the agreement with the selling shareholders, these expenses are recoverable from Dr Ramesh Kancharla, Dr. Dinesh Kumar Chirla, Dr. Adarsh Kancharla, Mrs. Padma Kancharla, British International Investment plc (formerly known as CDC Group plc) and CDC India Opportunities Limited, upon successful completion of IPO in proportion to the shares that are expected to be offered to the public in the offering.

g) All transactions with these related parties are at arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash. None of the balances are secured. (All the amounts of transactions and balances disclosed in this note are gross (net of GST) and undiscounted.)

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2.34 Leases

- A The Company as a lessee entered into various lease agreements majorly for buildings and used the following practical expedients on first time adoption of Ind AS 116:
(a) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.
(b) Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Right-of-use of assets

Particulars	Category of ROU Assets
	Buildings
Cost as at 1 April 2021	
Additions	3,934.60
Disposals	982.03
Cost as at 31 March 2022 (A)	(67.89)
	4,848.74
Cost as at 1 April 2022	
Additions	4,848.74
Disposals	296.26
Modification	(2.13)
Cost as at 31 March 2023 (C)	146.92
	5,289.79
Accumulated amortisation	
Accumulated depreciation as at 1 April 2021	
Depreciation charge for the year	504.79
Disposals	286.47
Accumulated depreciation as at 31 March 2022 (B)	(61.86)
	729.40
Accumulated depreciation as at 1 April 2022	
Depreciation charge for the year	729.40
Modification	310.81
Accumulated depreciation as at 31 March 2023 (D)	18.41
	1,058.62
Net carrying amounts	
As at 31 March 2023 (C-D)	4,231.17
As at 31 March 2022 (A-B)	4,119.34

The Company has entered into a lease for setting up of hospital at Hebbal for which the registration of the lease deed is pending. The Management has assessed that there would be no change in the lease terms and the delay is administrative in nature.

- B The following is the rental expense recorded for short-term leases, variable leases and low value leases

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Short-term lease		
Low value leases	13.22	14.05
Variable lease expenses	-	-
Total	13.22	14.05

- C Following is the movement in lease liabilities :

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening Balance		
Additions	5,060.38	4,364.77
Finance cost	264.81	730.52
Disposals	507.36	457.11
Payment of lease liabilities	(0.33)	(15.71)
Lease modification	(551.46)	(476.31)
Lease liability at the end of the year	102.14	-
	5,382.90	5,060.38
Non-current lease liabilities	5,291.63	4,992.05
Current lease liabilities	91.27	68.33

- D The following is the cash outflow on leases during the year:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Payment of lease liabilities	44.10	19.20
Interest on lease liabilities	507.36	457.11
Short-term lease expense	13.22	14.05
Total cash outflow on leases	564.68	490.36

- E The table below provides details regarding the contractual maturities of lease liabilities as at year end on an undiscounted basis:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Less than 1 year	585.27	525.20
1 to 5 years	2,551.71	2,224.98
Over 5 years	7,284.07	7,367.35

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.



Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')

Notes to the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

2.35 Segment reporting

The Company is engaged in the business of rendering medical and healthcare services.

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "Management approach" as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) i.e the Board of Directors. The CODM evaluates the Company's performance and allocates resources on overall basis. The Company's sole operating segment is therefore 'Medical and Healthcare Services'. Accordingly, there are no additional disclosures to be provided under Ind AS 108.

Further the business operation of the Company are concentrated in India, and hence, the Company is considered to operate only in one geographical segment.

2.36 Professional and consultancy expenses includes auditors' remuneration (excluding GST)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
As an auditor		
- Statutory audit fees *	5.00	4.00
- Limited review	1.50	-
- Reimbursement of expenses	0.35	0.28
Total	6.85	4.28

* Auditor's fees of Nil (31 March 2022: Rs.22.60 million (excluding reimbursements)) towards IPO deliverables is not included above (refer note : 2.33(f)).

2.37 Earnings per equity share :

The earnings per share has been computed as under:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit for the year (A)	2,058.93	1,422.91
Less: Preference dividend for the year	-	4.56
Profit attributable to equity shareholders (B)	2,058.93	1,418.35

Shares:

Number of equity shares at the beginning of the year	94,053,928	43,958,924
Add: Rights issued ##	-	1,928,000
Add: Bonus shares issued #	-	45,886,924
Add: Fresh Issue	5,167,679	-
Add: Preference shares converted	2,280,080	-
Add: Bonus equity shares issued to preference share holders #	-	2,280,080
Total number of equity shares outstanding at the end of the year	101,501,687	94,053,928
Weighted average number of equity shares outstanding during the year – Basic	100,949,524	93,420,727
Number of equity shares at the end of year (C)	100,949,524	93,420,727
Number of equity shares arising out of convertible preference shares that have dilutive effect on the EPS at the beginning of the year	-	2,280,080
Number of convertible preference shares that have dilutive effect on the EPS at the end of year (D)	-	2,280,080
Weighted average number of equity shares outstanding during the year – Diluted (E = C+D)	100,949,524	95,700,807

Earnings per share

Earnings per share of par value Rs. 10 - Basic (Rs.) (B/C)	20.40	15.18
Earnings per share of par value Rs. 10 - Diluted (Rs.) (A/E)	20.40	14.87

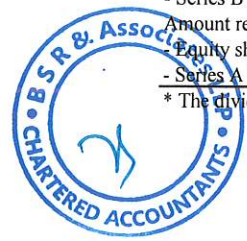
The Company on 1 December 2021 has issued and allotted bonus equity shares in the ratio of 1:1 for every one equity share and every one preference share held. In line with the requirements of Ind AS 33, for the purpose of EPS calculations, bonus shares issued has been considered as if the event of bonus issue had occurred at the beginning of the earliest year presented.

The Company has issued and allotted equity shares through rights issue to an existing shareholder on 22 October 2021. The exercise price is less than the fair value of the equity shares and hence the inherent discount is similar to a bonus issue as per Ind AS 33. In line with the requirements of Ind AS 33, for the purpose of EPS calculations, the bonus element in rights issue of shares has been retrospectively adjusted as if the event had occurred at the beginning of the earliest year presented.

2.38 Payment of dividend (including dividend on CCPS) in foreign currency :

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Number of non resident share holders	1,426	2
Number of shares held by non-resident shareholders		
- Equity shares	25,559,419	27,052,144
- Series A CCPS	-	1,146,771
- Series B CCPS	-	1,133,309
Amount remitted during the year (amount in millions Rs.)*		
- Equity shares	51.12	16.97
- Series A CCPS	-	2.30

* The dividend payment represents dividend paid on equity shares and CCPS.



2.39 Details of dues to micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act')

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2023 has been made in the Standalone Financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said MSMED Act.

Particulars	As at 31 March 2023	As at 31 March 2022
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
- Principal	78.08	58.76
- Interest	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company.

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 2.42

2.40 Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The proposed areas for CSR activities, as per the CSR policy of the company are promotion of education, sports, rural development activities, medical facilities, employment and ensuring environmental sustainability which are specified in Schedule VII of the Companies Act, 2013.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Details of Corporate social responsibility expenditure		
(i) Gross amount required to be spent by the Company during the year	24.33	16.96
(ii) Amount approved by the Board to be spent during the year	24.33	16.96
(iii) Amount spent during the year (in cash)		
- construction/ acquisition of any asset	-	-
- on purpose other than above	24.33	16.96
(iv) (Shortfall) / Excess at the end of the year	-	-
(v) Total of previous years shortfall	-	-
(vi) Details of related party transactions	NA	NA
(vii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	NA	NA
(viii) Reason for shortfall	NA	NA
For the year ending 31 March 2023 and 31 March 2022 :		
(ix) Nature of CSR activities:		
a) Promotion of education and sports	2.56	0.55
b) Rural development activities	7.50	-
c) Promotion of medical facilities and	12.27	11.36
d) Ensuring environmental sustainability	2.00	5.05

2.41 Incidental expenditure capitalised during the construction period

The Company has capitalised the following expenses to the cost of property, plant and equipment, as they are directly attributable to construction of the asset. Consequently amounts disclosed under the respective notes are net of amounts capitalised by the Company.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Employee benefit expenses (A)	57.38	0.18
Other expenses:		
Rent	31.53	2.99
Consultancy and project expenses	25.43	12.56
Travelling and conveyance	2.58	0.78
Other expenses	2.25	0.64
Total (B)	61.79	16.97
Total (A+B)	119.17	17.15



2.42 Financial risk management

Risk management framework

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's management risk policy is set by the Board of directors. The Company's activities expose it to a variety of financial risks like credit risk, liquidity risk and market risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. A summary of the risks have been given below:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers and loans given. Credit risk arises from cash held with banks, as well as credit exposure to trade receivables and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counter party credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in India. The Company has a process in place to monitor outstanding receivables on a monthly basis. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including government entities, insurance companies, corporates, individual and others. The default in collection as a percentage to total receivable is low.

The Company's exposure to credit risk for trade and other receivables by category is as follows:

Particulars	Carrying amount	
	As at 31 March 2023	As at 31 March 2022
Insurance companies and Third-Party Administrator (TPA)	357.82	236.60
Central and state government (including public sector undertakings)	96.89	85.95
Corporates, individual customers and others	307.55	231.83
Total	762.26	554.38

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

As at 31 March 2023

Age	Gross carrying amount	Weighted average loss rate	Allowance for expected credit loss
Less than 30 days	363.15	10.02%	36.40
31-180 days	202.05	9.39%	18.98
6 months - 1 year	84.01	18.39%	15.45
1-2 years	37.19	100.00%	37.19
2-3 years	20.25	100.00%	20.25
More than 3 years	55.61	100.00%	55.61
	762.26		183.88

As at 31 March 2022

Age	Gross carrying amount	Weighted average loss rate	Allowance for expected credit loss
Less than 30 days	241.14	3.80%	9.17
31-180 days	114.42	7.79%	8.92
6 months - 1 year	86.43	12.93%	11.18
1-2 years	34.33	100.00%	34.33
2-3 years	49.70	100.00%	49.70
More than 3 years	28.36	100.00%	28.36
	554.38		141.66

Movement in allowance for impairment in respect of trade receivables is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	141.66	116.53
Add: Expected credit loss recognised	42.22	25.13
Net remeasurement of provision	183.88	141.66

Cash and bank balances, loans and other financial assets

Cash and bank balances comprises of deposits with bank, interest accrued on deposits and other financial assets consists of security deposits. These deposits are held with credit worthy banks. The credit worthiness of such banks are evaluated by the Management on an ongoing basis and is considered to be good with low credit risk. Further, the Company maintains exposure in money market liquid mutual funds and loans. The Company has set counter-parties limits based on multiple factors including financial position, credit rating, etc. Loans are assessed on lifetime expected credit loss model and no impairment loss is anticipated. The Company's maximum exposure to credit risk as at 31 March 2023 and 31 March 2022 is the carrying value of each class of financial assets.

The security deposit pertains to rent deposit given to lessors. The Company does not expect any losses from non-performance by these counter-parties.



2.42 Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, that it will always have sufficient liquidity to meet its liabilities when due. The Company's Management is responsible for liquidity, funding as well as settlement management.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

Following are the financial assets at the reporting date.

Particulars	As at	
	31 March 2023	31 March 2022
Trade receivables	578.38	412.72
Cash and cash equivalents	102.36	80.45
Bank balances other than cash and cash equivalents	253.56	1,671.00
Investments	1,046.78	422.72
Other financial assets	5,129.69	720.66
Loans	437.53	800.07
Total	7,548.30	4,107.62

Following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

As at 31 March 2023

Particulars	Carrying Amount	As at 31 March 2023			Total amount
		Within 1 year	1-5 Years	More than five years	
Trade payables	803.11	803.11	-	-	803.11
Other financial liabilities	328.94	328.94	-	-	328.94
Lease liabilities (undiscounted)	5,382.90	585.27	2,551.71	7,284.07	10,421.05
Total	6,514.95	1,717.32	2,551.71	7,284.07	11,553.10

As at 31 March 2022

Particulars	Carrying Amount	As at 31 March 2022			Total amount
		Within 1 year	1-5 Years	More than five years	
Borrowings (current & non-current)	416.64	143.53	275.00	-	418.53
Trade payables	591.22	591.22	-	-	591.22
Other financial liabilities	223.89	223.89	-	-	223.89
Lease liabilities (undiscounted)	5,060.38	525.20	2,224.98	7,367.35	10,117.53
Total	6,292.13	1,483.84	2,499.98	7,367.35	11,351.17

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will effect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interests rate. Interest rate risk primarily arises from the Company's borrowings, investments in bank deposits and loans given.

The interest rate profile of the Company's interest bearing financial instruments is as follows:

Particulars	As at	
	31 March 2023	31 March 2022
Fixed rate instruments (excluding interest accrued)		
Financial assets	5,354.32	2,585.32
Financial liabilities	5,382.90	5,533.69

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The majority of the Company's assets are located in India and Indian rupee being the functional currency for the Company. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to operating activities.

The Company has import of assets from Europe (EUR) and United States of America (USD) and hence is exposed to foreign exchange risk for making payment for operations. The Company's foreign currency payables and receivables are unhedged.

Exposure to currency risk

The summary quantitative data about the Company's gross exposure to currency risk is as follows:

Particulars	Currency	As at 31 March 2023	
		Amount in foreign currency (in whole no's)	
		Amount in INR	
Trade payables	USD	126,617	10.45
Trade payables	EUR	1,000	0.09

Particulars	Currency	As at 31 March 2022	
		Amount in foreign currency (in whole no's)	
		Amount in INR	
Trade payables	USD	6,538	0.49
Creditors for capital goods	USD	8,000	0.60

Sensitivity analysis:

A reasonably possible strengthening / (weakening) of the INR, against USD and EUR would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasts sales and purchases.

	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2023				
USD (5% movement)	0.52	(0.52)	0.39	(0.39)
EUR (5% movement)	0.00	(0.00)	0.00	(0.00)
31 March 2022				
USD (5% movement)	0.05	(0.05)	0.04	(0.04)

Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.



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2.43 Capital management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Management monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves. Total debt includes borrowings and bank overdraft.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.
 The Company's adjusted debt to equity ratio is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Total debt	-	416.64
Total equity	10,883.88	6,362.93
Debt to equity ratio	-	0.07

2.44 Financial instruments

The fair values of financial assets and financial liabilities, together with the carrying amounts in the Balance sheet are as follows:

As at 31 March 2023

Particulars	Note	Carrying values					Significant unobservable inputs (Level 3)
		Measured at fair value through profit or loss account	Fair value through other comprehensive income	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	
Financial assets measured at fair value							
Investments in equity instruments *	2.2	-	0.03	-	-	0.03	-
Investments in mutual funds	2.7	581.33	-	-	-	581.33	581.33
		581.33	0.03	-	-	581.36	581.33
Financial assets at amortised cost							
Trade receivables	2.8	-	-	578.38	-	578.38	-
Cash and cash equivalents	2.9 (a)	-	-	102.36	-	102.36	-
Bank balances other than cash and cash equivalents	2.9 (b)	-	-	253.56	-	253.56	-
Loans	2.10	-	-	437.53	-	437.53	-
Other financial assets	2.3 (a) & 2.3 (b)	-	-	5,129.69	-	5,129.69	-
		-	-	6,501.52	-	6,501.52	-
Financial liabilities at amortised cost							
Trade payables	2.17	-	-	-	803.11	803.11	-
Other financial liabilities	2.18	-	-	-	328.94	328.94	-
		-	-	-	1,132.05	1,132.05	-



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2.44 Financial instruments (continued)

As at 31 March 2022

Particulars	Note	Carrying values							
		Measured at fair value through profit or loss account or loss account	Fair value through other comprehensive income	Other financial assets – amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value									
Investments in equity instruments *	2.2	-	0.03	-	-	0.03	-	-	0.03
Investments in mutual funds	2.7	220.98	-	-	-	220.98	220.98	-	-
		220.98	0.03	-	-	221.01	220.98	-	0.03
Financial assets at amortised cost									
Trade receivables	2.8	-	-	412.72	-	412.72	-	-	-
Cash and cash equivalents	2.9 (a)	-	-	80.45	-	80.45	-	-	-
Bank balances other than cash and cash equivalents	2.9 (b)	-	-	1,671.00	-	1,671.00	-	-	-
Loans	2.10	-	-	800.07	-	800.07	-	-	-
Other financial assets	2.3 (a) & 2.3 (b)	-	-	720.66	-	720.66	-	-	-
		-	-	3,684.90	-	3,684.90	-	-	-
Financial liabilities at amortised cost									
Borrowings	2.14 & 2.16	-	-	-	416.64	416.64	-	-	-
Trade payables	2.17	-	-	-	591.22	591.22	-	-	-
Other financial liabilities	2.18	-	-	-	223.89	223.89	-	-	-
		-	-	-	1,231.75	1,231.75	-	-	-

Note: The Company has not disclosed fair values of financial assets and liabilities such as investments, trade receivables, bank balances other than cash and cash equivalents, other financial assets, trade payables, borrowings and other financial liabilities since their carrying amounts are reasonable approximates of fair values.

Fair value hierarchy

Level 1

Includes financial instruments measured using quoted prices. The fair value of all mutual funds which is valued using the closing Net Asset Value (NAV) as at the reporting year.

Level 2

The fair value of financial instruments not actively traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If the significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. There have been no transfers between Level 1, Level 2 and Level 3 for the year ended 31 March 2023 and 31 March 2022.

* Fair value information relating to investment in equity instruments are not presented as these are not material to the standalone financial statements.



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2.45 Revenue from contracts with customers

Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Income from medical and healthcare services		
Revenue from hospital services	9,655.51	8,046.18
Revenue from pharmacy sales	1,138.56	929.53
Revenue from medical service fee	225.41	168.75
Total revenue from contracts with customers	11,019.48	9,144.46

Location of revenue recognition

Note: All the business operations of the Company are in India.

No single customer represents 10% or more of the Company's total revenue during the year ended 31 March 2023 and 31 March 2022.

Reconciliation of revenue recognised with the contracted price is as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Contracted price	9,964.45	8,254.57
Reduction towards variable consideration components*		
-Discounts	(65.52)	(31.11)
-Disallowances	(18.01)	(8.53)
Revenue recognised	9,880.92	8,214.93

*Variable consideration components include discounts and disallowances on the contract price.

Contract balances

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables**	691.19	444.93
Unbilled revenue	71.07	109.45
Contract liabilities (advance from patients)#	28.59	83.26

Movement in contract liabilities during the year:

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	83.26	52.15
Less: Revenue recognised from above	(83.26)	(52.15)
Add: Addition during the year	28.59	83.26
Balance at the end of the year	28.59	83.26

**Trade receivables are non-interest bearing and are generally on terms of 30 days.

#Contract liabilities include advances received from patients for hospital services and is pending for final billing.

Performance Obligation

The revenue from rendering Medical & Healthcare services and Pharmaceutical products satisfies 'at a point in time' recognition criteria as prescribed by Ind AS 115.



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- 2.46 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

2.47 Ratios as per the Schedule III requirements

a) Current Ratio = Current Assets divided by Current Liabilities (excluding current borrowings)

Particulars	31 March 2023	31 March 2022
Current Assets	4,718.25	2,798.64
Current Liabilities	1,344.06	1,026.33
Ratio	3.51	2.73
% Change from previous year	28.57%	

Reason for change more than 25%:

This ratio has increased from 2.73 in March 2022 to 3.51 in March 2023 mainly due to increase in bank deposits and current investments.

b) Debt Equity ratio = Total debt divided by Shareholder's Equity where total debt refers to sum of current & non current borrowings

Particulars	31 March 2023	31 March 2022
Total debt	-	416.64
Shareholder's Equity	10,883.88	6,362.93
Ratio	-	0.07
% Change from previous year	(100.00%)	

Reason for change more than 25%:

This ratio has decreased from 0.07 in March 2022 to Nil in March 2023 mainly due to repayment of borrowings.

c) Debt Service Coverage Ratio = Earnings available for debt service divided by interest and lease payments + principal repayments

Particulars	31 March 2023	31 March 2022
Net Profit after tax	2,058.93	1,422.91
Add: Non cash operating expenses and finance cost	1,357.67	1,270.84
- Depreciation and amortizations	837.08	769.87
- Finance cost	520.89	500.05
- (Gain) / Loss on sale of property, plant and equipment	(0.30)	0.92
Earnings available for debt service	3,416.60	2,693.75
Interest cost on borrowings	7.29	40.18
Payment of lease liabilities	551.46	476.31
Principal repayments	398.11	60.71
Total Interest and principal repayments	956.86	577.20
Ratio	3.57	4.67
% Change from previous year	(23.55%)	

Reason for change more than 25%: Not applicable

d) Return on Equity Ratio / Return on Investment Ratio = Net profit after taxes - preference dividend divided by average shareholder's equity

Particulars	31 March 2023	31 March 2022
Net profit after taxes	2,058.93	1,422.91
Less: Preference dividend	-	(4.56)
Earning available to equity shareholders	2,058.93	1,418.35
Average Shareholder's Equity	8,623.41	5,561.14
Ratio	23.88%	25.50%
% Change from previous year	(6.35%)	

Reason for change more than 25%: Not applicable

e) Inventory Turnover Ratio = Cost of goods sold divided by average inventory

Particulars	31 March 2023	31 March 2022
Cost of Medical consumables and pharmacy items consumed	1,501.22	1,877.98
Average Inventory	157.78	115.88
Inventory Turnover Ratio	9.51	16.21
% Change from previous year	(41.33%)	

Reason for change more than 25%:

This ratio has decreased from 16.21 in March 2022 to 9.51 in March 2023 mainly due to purchase of covid vaccines in previous year.

f) Trade Receivables turnover ratio = Revenue from operations divided by Average Trade Receivables

Particulars	31 March 2023	31 March 2022
Revenue from operations	11,139.90	9,245.95
Average Trade Receivables	495.55	433.60
Ratio	22.48	21.32
% Change from previous year	5.44%	

Reason for change more than 25%: Not Applicable



2.47 Ratios as per the Schedule III requirements (continued)

g) Trade payables turnover ratio = Purchases divided by Average Trade Payables

Particulars	31 March 2023	31 March 2022
Purchases	1,539.15	1,923.85
Average Trade Payables	697.17	548.44
Ratio	2.21	3.51
% Change from previous year	(37.04%)	

Reason for change more than 25%: Not Applicable

This ratio has decreased from 3.51 in March 2022 to 2.21 in March 2023 mainly due to purchase of covid vaccines in previous year.

h) Net capital Turnover Ratio = Revenue from operations divided by Working Capital where Working Capital= Current Assets - Current Liabilities (excluding current borrowings)

Particulars	31 March 2023	31 March 2022
Revenue from operations	11,139.90	9,245.95
Working Capital	3,374.19	1,772.31
Ratio	3.30	5.22
% Change from previous year	(36.78%)	

Reason for change more than 25%:

The ratio has decreased from 5.22 in March 2022 to 3.30 in March 2023 mainly due to increase in working capital which was offset by increase in revenue from operations.

i) Net profit ratio = Net profit after taxes divided by Revenue from operations

Particulars	31 March 2023	31 March 2022
Net profit after taxes	2,058.93	1,422.91
Revenue from operations	11,139.90	9,245.95
Ratio	18.48%	15.39%
% Change from previous year	20.08%	

Reason for change more than 25%: Not Applicable

j) Return on Capital employed (pre cash)=Earnings Before Interest and Taxes (EBIT) divided by Capital Employed (pre cash)

Particulars	31 March 2023	31 March 2022
Profit before tax* (A)	2,728.34	1,897.44
Finance Costs* (B)	520.89	500.05
Other Income* (C)	312.29	208.19
EBIT (D) = (A)+(B)-(C)	2,936.94	2,189.30
Capital Employed (Pre Cash) (J)=(E)-(F)-(G)-(H)-(I)	12,461.95	9,711.35
Total Assets (E)	17,587.59	12,853.64
Current Liabilities (F)	1,344.06	1,169.86
Current Investments (G)	581.33	220.98
Cash and Cash equivalents (H)	102.36	80.45
Current portion of fixed deposits and accrued interest with banks (I)	3,097.89	1,671.00
Ratio (D)/(J)	23.57%	22.54%
% Change from previous year	4.57%	

Reason for change more than 25%: Not Applicable

k) Return on Investment = Income generated from invested funds divided by Average Invested Funds

Particulars	31 March 2023	31 March 2022
Dividend income	3.52	7.69
Net gain on financial assets measured at fair value through profit or loss	5.43	3.36
Interest income on bank deposits	240.46	63.48
Income generated from invested funds (A)	249.41	74.53
Average Invested Funds (B)	3,881.48	1,576.36
Ratio (A)/(B)	6.43%	4.73%
% Change from previous year	35.91%	

Reason for change more than 25%:

The ratio has increased from 4.73% in March 2022 to 6.43% in March 2023 mainly due to increase in income generated from invested funds.

2.48 Subsequent events

(a) Employee share based payment

Pursuant to the resolutions passed by the Board on 18 March 2023 and by the Shareholders on 06 May 2023, the Company approved 'The Rainbow Children's Medicare Limited - Employee Stock Unit Plan 2023 ("Stock Unit Plan 2023")' in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB SE Regulations"). The Stock Unit Plan 2023 is for issue of employee stock units to eligible employees, which may result in an issuance of a maximum number of 400,000 Equity Shares. Upon exercise and payment of the exercise price, an option holder will be entitled to be allotted one Equity Share per employee stock unit. The Company has not granted any units under Stock Unit Plan 2023.

(b) During the year, the Company has participated in the auction held by Haryana Shahari Vikas Pradhikaran (HSVP) and won the bid for 2 land parcels in Gurugram. Subsequent to the year end, the Company has received letter of intent from HSVP and has paid 25% of the land value amounting to Rs. 169.87 million paid in November 2022 and Rs. 238.16 million paid in May 2023. The Company is awaiting for the final allotment letter from HSVP.



Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')

Notes to the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

2.49 Other Statutory Information:

- i. The Company do not have any Benami property and neither any proceedings have been initiated or is pending against the Company for holding any Benami property.
- ii. The Company do not have any transactions with companies struck off.
- iii. The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory year.
- iv. The Company has not been declared a wilful defaulter by any bank or financial institution or any other lender during the current year.
- v. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vi. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii. The loan has been utilised for the purpose for which it was obtained and no short term funds have been used for long term purpose.
- viii. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- ix. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- x. The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- xi. The Company has not revalued its Property, plant and equipment (including right of use of assets) or intangible assets or both during the current or previous year.

2.50 During the year, the Company has completed Initial Public Offering of 29,168,579 Equity Shares of face value of Rs. 10 each of the Company for at an issue price of Rs. 542 per equity share (including a share premium of Rs. 532 per equity share, eligible employees bidding in the employee's reservation portion were offered a discount of Rs. 20 per equity share) aggregating to Rs. 15,808.49 million comprising a fresh issue of 5,167,679 Equity Shares aggregating to Rs. 2,800.00 million and an offer for sale of 24,000,900 Equity shares aggregating to Rs. 13,008.49 million. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) w.e.f. 10 May 2022.

The Company has received a net amount of Rs. 2,661.40 million (net of Company's share of IPO expenses Rs. 138.60 million which are proportionately allocated between company and selling shareholders as per the respective offer size) from proceeds out of fresh issue of Equity Shares. The Company's share of IPO Expenses Rs. 138.60 million has been adjusted to securities premium.

Details of utilisation of IPO proceeds:

(Rs. in Millions)

Objects of the issue	Amount as proposed in offer document	Utilisation up to 31 March 2023	Unutilised amount as at 31 March 2023	Reasons for delay in utilisation of IPO Proceeds
Early redemption of NCDs issued by our Company to CDC Emerging Markets Limited, in full	400.00	400.00	-	NA
Capital expenditure towards setting up of new hospitals and purchase of medical equipment for such new hospitals	1,700.00	327.29	1,372.71	Delay in execution of one of the project has resulted in less spend of IPO money raised against the target provided in the prospectus of Rs.1,065 million.
General corporate purposes	561.40	-	561.40	As the Company is utilising the funds generated from operations, the said proceeds were not utilised.
Total	2,661.40	727.29	1,934.11	

Net IPO proceeds which were unutilised as at 31 March 2023 were temporarily invested in fixed deposits and held in current account with banks.

As per our report of even date attached.

for **BSR & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024



Jhahanwija Shyamsukha

Partner

Membership Number.: 064550

for and on behalf of the Board of Directors of

Rainbow Children's Medicare Limited

(formerly known as 'Rainbow Children's Medicare Private Limited')

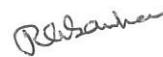
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Dr. Ramesh Kancharla

Chairman and Managing Director

DIN: 00212270


R Gowrisankar

Chief Financial Officer



Dr. Dinesh Kumar Chirla

Director

DIN: 01395841



Ashish Kapil

Company Secretary

Membership Number: A31782

Place: Hyderabad

Date: 14 May 2023

Place: Hyderabad

Date: 14 May 2023

Place: Hyderabad

Date: 14 May 2023