

Independent Auditor's Report

To the Members of Rainbow Children's Medicare Limited

Report on the Audit of the Standalone Financial Statements**Opinion**

We have audited the accompanying standalone financial statements of Rainbow Children's Medicare Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of material 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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards 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 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 audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2024. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.



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Key audit matters	How our audit addressed the key audit matter
Impairment of loan receivable (as described in Note 2.10 of the standalone financial statements)	
<p>In the earlier years, the Company has given an unsecured loan to an external party (Madhukar Rainbow Children's Hospital). As at March 31, 2024 the loan outstanding balance is Rs. 330.42 million (including Interest accrued of Rs. 126.95 million).</p> <p>Due to the insufficient cash profits in the aforementioned party for the repayment of the loan, the Company is exposed to risk in respect of the recoverability of the loan.</p> <p>The Company carries out assessment of recoverability of these loans and impairment at every 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 loan as a key audit matter due to:</p> <ul style="list-style-type: none">• the significance of the carrying value of the loan;• 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 loan receivable.2. Traced loans repaid during the year to bank statements and assessed the compliance with the stipulated terms of the loan agreement.3. Obtained independent confirmation of balances as at 31 March 2024 from the external party.4. Assessed the net worth of the external party on the basis of latest available financial statements.5. Obtained the business projections of the external party from Management and performed the following procedures:<ul style="list-style-type: none">• Compared the actual revenues and cash flows generated by the external party during the year with the budgets and estimates of the previous year.• Evaluated the reasonability of future cash flow projections prepared by the Management with respect to the key assumptions which include discount rate and growth rate. Involved our internal experts to assess the methodology and key assumptions used for impairment assessment by management.6. Verified the classification and disclosures of the loans in accordance with Schedule III of the Act and Ind-AS.



Key audit matters	How our audit addressed the key audit matter
Impairment of investment (as described in Note 2.2 of the standalone financial statements)	
<p>The Company has a total gross investment of Rs. 324.11 million in one of the wholly owned subsidiary companies (Rosewalk Healthcare Private Limited) as at March 31, 2024.</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 internal experts to assess the methodology and key assumptions used for impairment assessment by management. 3. Assessed the adequacy of the disclosures in the standalone financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon. The Company's 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 do 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 and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is 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 financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The financial statements of the Company for the year ended March 31, 2023, included in these standalone financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 14, 2023.

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 sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g);
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



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- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(i) (vi) below on reporting under Rule 11(g).
- (i) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 2.28 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 2.47 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, whether, 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;
 - b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 2.47 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, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and



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- c) Based on such 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 (a) and (b) contain any material misstatement.
- v. 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.

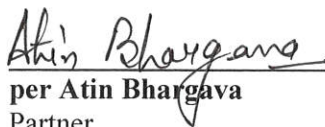
As stated in note 2.13 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the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

- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for certain changes made, if any, using privilege/ administrative access rights as described in note 2.49 to the standalone financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where audit trail has been enabled.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Atin Bhargava**

Partner

Membership Number: 504777

UDIN: 24504777BKDHKZ1461



Place of Signature: Hyderabad

Date: May 19, 2024

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Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Rainbow Children's Medicare Limited ("the Company")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(a)(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) 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) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.

(c) There are no proceedings initiated or are 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 management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) During the year the Company has provided loans and advances in the nature of loans to companies and other parties as follows:

	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year		
- Subsidiaries	2.00	Nil
- Others	Nil	10.79
Balance outstanding as at balance sheet date in respect of above cases		
- Subsidiaries	2.00	Nil
- Others	203.47	3.58



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- (b) During the year the terms and conditions of the grant of all loans and advances in the nature of loans to companies and other parties are not prejudicial to the Company's interest.
- (c) The Company has granted loans and advance in the nature of loans during the year to companies and other parties where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies and other parties which are overdue for more than ninety days.
- (e) There were no loans or advance in the nature of loan granted to companies and any other parties which had fallen due during the year.
- (f) 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 to companies and other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to healthcare services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



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(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues 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 the 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
Income Tax Act, 1961	Tax and interest thereon	6.18	Financial year 2021-22 and 2022-23	Joint Commissioner (Appeals) or the Commissioner of Income-tax (Appeals)

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company (refer note 2.48 for details on utilisation of money raised by way of initial public offer in the previous year).

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.



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- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company./
- (b) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.



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- (xix) On the basis of the financial ratios disclosed in note 2.44 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 us to believe that any material uncertainty exists as on the date of the audit report that 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.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 2.37 to the standalone financial statements.
- (b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 2.37 to the standalone financial statements.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Atin Bhargava

Partner

Membership Number: 504777

UDIN: 24504777BKDHKZ1461



Place of Signature: Hyderabad

Date: May 19, 2024

Annexure '2' to the Independent Auditor's Report of even date on the standalone financial statements of Rainbow Children's Medicare Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Rainbow Children's Medicare Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone 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 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 these standalone financial statements.



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Chartered Accountants

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with 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 financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

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

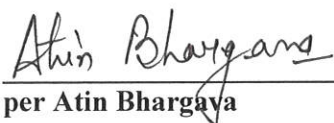
Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Atin Bhargava**

Partner

Membership Number: 504777

UDIN: 24504777BKDHKZ1461

Place of Signature: Hyderabad

Date: May 19, 2024



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

Particulars	Notes	As at	
		31 March 2024	31 March 2023
ASSETS			
Non-current assets			
a. Property, plant and equipment	2.1(a)	6,230.82	4,650.50
b. Capital work-in-progress	2.1(a)	138.24	208.98
c. Right-of-use of assets	2.32	5,915.44	4,231.17
d. Other intangible assets	2.1(b)	40.70	33.09
e. Intangible assets under development	2.1(b)	60.92	19.08
f. Financial assets			
(i) Investments	2.2	465.45	465.45
(ii) Loans	2.10	332.51	437.53
(iii) Other financial assets	2.3 (a)	252.41	2,255.36
g. Deferred tax assets (net)	2.27(d)	253.68	255.84
h. Non-current tax assets (net)	2.4	136.00	21.51
i. Other non-current assets	2.5	1,735.22	292.56
Total non-current assets		15,561.39	12,871.07
Current assets			
a. Inventories	2.6	225.86	176.74
b. Financial assets			
(i) Investments	2.7	2,996.16	581.33
(ii) Trade receivables	2.8	715.59	509.41
(iii) Cash and cash equivalents	2.9 (a)	74.85	117.91
(iv) Bank balances other than (iii) above	2.9 (b)	0.07	253.56
(v) Other financial assets	2.3 (b)	1,792.84	2,874.33
c. Other current assets	2.11	137.60	149.82
Total current assets		5,942.97	4,663.10
TOTAL ASSETS		21,504.36	17,534.17
EQUITY AND LIABILITIES			
EQUITY			
a. Equity share capital	2.12	1,015.02	1,015.02
b. Other equity	2.13	11,837.49	9,868.86
TOTAL EQUITY		12,852.51	10,883.88
LIABILITIES			
Non-current liabilities			
a. Financial liabilities			
(i) Lease liabilities	2.32	7,193.80	5,291.63
b. Provisions	2.14	72.94	68.02
Total non-current liabilities		7,266.74	5,359.65
Current liabilities			
a. Financial liabilities			
(i) Lease liabilities	2.32	153.20	91.27
(ii) Trade payables	2.15		
a) Total outstanding dues to micro enterprises and small enterprises		86.09	78.08
b) Total outstanding dues to creditors other than micro enterprises and small enterprises		677.30	671.61
(iii) Other financial liabilities	2.16	324.49	328.94
b. Other current liabilities	2.19	114.36	101.73
c. Provisions	2.17	29.66	18.18
d. Current tax liabilities (net)	2.18	0.01	0.83
Total current liabilities		1,385.11	1,290.64
TOTAL EQUITY AND LIABILITIES		21,504.36	17,534.17


Summary of material accounting policies

I

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

As per our report of even date attached.

for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004


Atin Bhargava
Partner
Membership Number.: 504777



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 Chirla
Director
DIN: 01395841




Vikas Maheshwari
Chief Financial Officer


Ashish Kapil
Company Secretary
Membership Number: A31782

Place: Hyderabad
Date: 19 May 2024

Place: Hyderabad
Date: 19 May 2024

Place: Hyderabad
Date: 19 May 2024

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

Standalone Statement of Profit and Loss

(All amounts are in rupees millions, except share data and unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
INCOME			
Revenue from operations	2.20	12,365.62	11,139.90
Other income	2.21	369.48	312.29
Total income		12,735.10	11,452.19
EXPENSES			
Cost of materials consumed	2.22	1,571.27	1,501.22
Employee benefits expense	2.23	1,687.09	1,360.38
Finance costs	2.24	560.66	520.89
Depreciation and amortisation expense	2.25	1,051.51	837.08
Professional fees to doctors	2.26 (i)	2,877.30	2,554.04
Other expenses	2.26 (ii)	2,095.10	1,903.94
Total expenses		9,842.93	8,677.55
Profit before exceptional items and tax		2,892.17	2,774.64
Exceptional items	2.2	-	46.30
Profit before tax		2,892.17	2,728.34
Tax expenses:	2.27		
(a) Current tax		745.43	811.41
(b) Deferred tax credit		(2.17)	(142.00)
Total tax expense		743.26	669.41
Profit for the year		2,148.91	2,058.93
Other comprehensive income			
<i>Items that will not be reclassified subsequently to the Statement of Profit or Loss</i>			
Re-measurement gain on defined benefit obligation	2.30 (C)(ii)	17.21	4.83
Income tax effect	2.27 (d)(ii)	(4.33)	(1.22)
Other comprehensive income for the year, net of tax		12.88	3.61
Total comprehensive income for the year		2,161.79	2,062.54
Earning per share (face value of share Rs.10 each, fully paid)	2.35		
- Basic (Rs)		21.17	20.40
- Diluted (Rs)		21.17	20.40
Weighted average number of equity shares used in computing	2.35		
Earning per share			
- Basic		101,501,687	100,949,524
- Diluted		101,756,328	100,949,524

Summary of material accounting policies

1

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

As per our report of even date attached.

for **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Atin Bhargava
Atin Bhargava
Partner

Membership Number.: 504777



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 Kancharia
Dr. Ramesh Kancharia
Chairman and Managing Director
DIN: 00212270

Vikas Maheshwari
Vikas Maheshwari
Chief Financial Officer

Dr. Dinesh Kumar Chirla
Dr. Dinesh Kumar Chirla
Director
DIN: 01395841

Ashish Kapil
Ashish Kapil
Company Secretary
Membership Number: A31782

Place: Hyderabad
Date: 19 May 2024

Place: Hyderabad
Date: 19 May 2024

Place: Hyderabad
Date: 19 May 2024

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

Standalone Statement of Cash Flows

(All amounts are in rupees millions, except share data and unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flows from operating activities		
Profit before tax	2,892.17	2,728.34
Adjustments:		
Depreciation and amortisation expense	1,051.51	837.08
Dividend income	(14.19)	-
Gain on redemption of mutual funds	(73.55)	(3.52)
Net gain on financial assets measured at fair value through profit or loss	(58.85)	(5.43)
Unrealised foreign exchange loss, net	0.21	1.35
Interest income on financial assets carries at amortised cost	(192.51)	(303.04)
Employee stock option cost	54.30	-
Finance cost	560.66	520.89
Impairment loss on non current investment	-	46.30
Inter corporate deposits written off (including interest accrued)	-	0.66
Advances written off	3.46	8.46
Allowances for doubtful advances	-	2.97
Bad debts written off	0.15	10.49
(Reversal) / Allowance for expected credit loss	(28.42)	42.22
Net gain on sale of property, plant and equipment	(1.27)	(0.30)
Liabilities no longer required written back	(0.69)	-
	4,192.98	3,886.47
Adjustments for working capital:		
Increase in inventories	(49.12)	(37.93)
Increase in trade receivables	(177.91)	(184.44)
(Increase) / decrease in financial and other assets	(52.47)	106.53
Increase in trade payables	13.67	184.50
Decrease in financial liabilities and provisions	(2.23)	(16.38)
Cash generated from operations	3,924.92	3,938.75
Income tax paid	(860.74)	(783.19)
Net cash from operating activities (A)	3,064.18	3,155.56
Cash flows from investing activities		
Purchase of property, plant and equipment, intangibles, intangible assets under development including capital advances, capital creditors and capital work-in-progress	(3,520.90)	(1,396.89)
Proceeds from sale of property, plant and equipment	1.27	1.47
Investments in unquoted equity instruments of subsidiary	-	(310.01)
Bank deposits redeemed / (placed) with maturity of more than three months, net	3,292.72	(3,097.03)
Interest received	225.39	223.60
Dividend received	14.19	-
Gain on redemption of mutual funds, net	73.55	3.52
Investment in mutual funds	(8,530.96)	(1,174.94)
Redemption of mutual funds	6,174.98	820.02
Loans given	(2.00)	(11.35)
Loans realised	134.50	338.85
Net cash used in investing activities (B)	(2,137.26)	(4,602.76)
Cash flows from financing activities		
Repayment of long-term borrowings	-	(398.11)
Principal payment of lease liabilities	(680.24)	(551.46)
Finance cost	-	(32.06)
Proceeds from issue of share capital	-	2,800.00
Share issue expenses refund/(paid)	14.70	(138.60)
Dividend paid	(304.44)	(202.93)
Net cash (used in) / from financing activities (C)	(969.98)	1,476.84
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(43.06)	29.64
Cash and cash equivalents at the beginning of the year	117.91	88.27
Cash and cash equivalents at the end of the year (note b)	74.85	117.91



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

Standalone Statement of Cash Flows

(All amounts are in rupees millions, except share data and unless otherwise stated)

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 2024	As at 31 March 2023
Cash on hand	7.42	4.93
Balance with banks:		
- Current accounts	67.43	87.98
- On deposit accounts (with original maturity of 3 months or less)	-	25.00
	74.85	117.91

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 2024	As at 31 March 2023
Opening balance:		
Borrowings	-	398.11
Interest accrued on borrowings	-	18.53
Lease liabilities	5,382.90	5,060.38
Movement:		
Borrowings:		
Repayment of borrowings	-	(398.11)
Interest expense	-	13.53
Interest repayment	-	(32.06)
Lease liabilities:		
Finance cost on lease liabilities (including capitalisation)	592.12	507.36
Addition to lease liabilities, net	2,011.42	264.48
Lease modification	40.80	102.14
Payment of lease liabilities	(680.24)	(551.46)
Closing balance:		
Lease liabilities	7,347.00	5,382.90

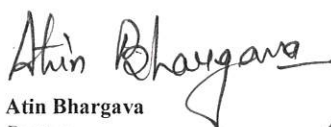
The accompanying notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached.

for **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004


Atin Bhargava
Partner

Membership Number.: 504777



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


Vikas Maheshwari
Chief Financial Officer

Place: Hyderabad
Date: 19 May 2024


Dr. Dinesh Kumar Chirila
Director
DIN: 01395841


Ashish Kapil
Company Secretary
Membership Number: A31782

Place: Hyderabad
Date: 19 May 2024

Place: Hyderabad
Date: 19 May 2024

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

(a) Share capital

Particulars	Number of shares	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid-up		
As at 01 April 2022	94,053,928	940.54
Add: Shares issued during the year	5,167,679	51.68
Add: Converted during the year	2,280,080	22.80
As at 01 April 2023	101,501,687	1,015.02
Add: Shares issued during the year	-	-
Add: Converted during the year	-	-
As at 31 March 2024	101,501,687	1,015.02
Series A CCPS of Rs. 48 each issued, subscribed and fully paid-up		
As at 01 April 2022	1,146,771	55.05
Add: Shares issued during the year	-	-
Less: Converted during the year	(1,146,771)	(55.05)
As at 01 April 2023	-	-
Add: Shares issued during the year	-	-
Less: Converted during the year	-	-
As at 31 March 2024	-	-
Series B CCPS of Rs. 48 each issued, subscribed and fully paid-up		
As at 01 April 2022	1,133,309	54.40
Add: Shares issued during the year	-	-
Less: Converted during the year	(1,133,309)	(54.40)
As at 01 April 2023	-	-
Add: Shares issued during the year	-	-
Less: Converted during the year	-	-
As at 31 March 2024	-	-

(b) Other equity

Particulars	Securities premium	General reserve	Debt 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
Profit for the year	-	-	-	2,058.93	2,058.93
Amount transferred from debt redemption reserve	-	-	-	40.00	40.00
Appropriations:					
Amount transferred /utilised	-	-	(40.00)	-	(40.00)
Unpaid dividend	-	-	-	(0.07)	(0.07)
Share issue expenses	(138.60)	-	-	-	(138.60)
Final dividend on equity shares for the year ended 31 March 2022. i.e. Rs. 2 per share	-	-	-	(202.93)	(202.93)
Remeasurement of defined benefit liability, net of tax effect	-	-	-	3.61	3.61
Balance as at 31 March 2023	3,972.28	44.43	-	5,852.15	9,868.86

Particulars	Securities premium	General reserve	Share Options outstanding account	Retained earning	Total other equity
Balance as at 1 April 2023	3,972.28	44.43	-	5,852.15	9,868.86
Profit for the year	-	-	-	2,148.91	2,148.91
Refund of share issue expenses *	14.70	-	-	-	14.70
Employee share based payment expenses (refer note 2.45)	-	-	96.58	-	96.58
Appropriations:					
Final dividend on equity shares for the year ended 31 March 2023. i.e. Rs. 3 per share	-	-	-	(304.44)	(304.44)
Remeasurement of defined benefit liability, net of tax effect	-	-	-	12.88	12.88
Balance as at 31 March 2024	3,986.98	44.43	96.58	7,709.50	11,837.49

* During the year, the Company has received an amount of Rs. 14.70 million towards the Company's share of unspent share issue expenses. The same has been adjusted with securities premium as per Companies Act, 2013.

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

As per our report of even date attached.

for S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Atin Bhargava
Atin Bhargava
Partner
Membership Number.: 504777



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
Dr. Ramesh Kancharla
Chairman and Managing Director
DIN: 00212270

Dr. Dinesh Kumar Chirala
Dr. Dinesh Kumar Chirala
Director
DIN: 01395841

Vikas Maheshwari
Vikas Maheshwari
Chief Financial Officer

Ashish Kapil
Ashish Kapil
Company Secretary
Membership Number: A31782

Place: Hyderabad
Date: 19 May 2024

Place: Hyderabad
Date: 19 May 2024

Place: Hyderabad
Date: 19 May 2024

Rainbow Children's Medicare Limited
(Formerly known as 'Rainbow Children's Medicare Private Limited')
Notes to Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in rupees millions, except share data and unless otherwise stated)

1. Material accounting policies

1.1 Corporate information

Rainbow Children's Medicare Limited (formerly known as Rainbow Children's Medicare Private Limited) ('the Company') (CIN L85110TG1998PLC029914) was incorporated on 07 August 1998 as a Private Limited Company under the Companies Act, 2013 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's shares are listed on the BSE Limited and National Stock Exchange of India Limited. The standalone financial statements were approved by the Board of Directors for issue on 19 May 2024.

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 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financial statements notified under section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act.

(ii) Basis of measurement

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 and share based payment 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.

(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. The comparatives are presented for the year ended and as on 31 March 2023.

(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')
Notes to Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in rupees millions, except share data and unless otherwise stated)

1.2 Basis of preparation (continued):

(iv) 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 (Note 1.3(j))

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). (Note 1.3(n))
- **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. (Note 1.3(k))
- **Measurement of defined benefit obligations:** Key actuarial assumptions used for actuarial valuation. (Note 1.3(h))
- **Impairment of financial assets:** The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. (Note 1.3(d))
- **Impairment of non-financial assets:** Key assumptions underlying recoverable amount including forecasted projections.
- **Property, plant and equipment:** Useful life of asset. (Note 1.3(b))
- **Lease liabilities:** measurement of incremental borrowing costs. (Note 1.3(j))
- **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.



Rainbow Children's Medicare Limited
(Formerly known as 'Rainbow Children's Medicare Private Limited')
Notes to Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in rupees millions, except share data and unless otherwise stated)

1.2 Basis of preparation (continued):

(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.

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')
Notes to Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in rupees millions, except share data and unless otherwise stated)

1.2 Basis of preparation (continued):

(vi) 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 2.41]

1.3 Material 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.

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.



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1.3 Material accounting policies (continued):

a. Financial Instruments (continued):

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.

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



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1.3 Material accounting policies (continued):

a. Financial Instruments (continued):

iii. Derecognition (continued):

- 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.

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.



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1.3 Material accounting policies (continued):

b. Property, plant and equipment (continued):

i. Recognition and measurement (continued):

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 of property, plant and equipment as 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 equipment as estimated by Management which is different from the useful life prescribed under 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

*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.



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1.3 Material accounting policies (continued):

b. Property, plant and equipment (continued):

iv. Depreciation (continued):

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.

The Company capitalizes costs related to specific upgrades and enhancements of software when it is probable the expenditures will result in additional features, functionality and significant customer experience. The Company also capitalizes all direct and incremental costs incurred during the development phase, until such time when the software is substantially complete and ready for use.

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.

d. Impairment of assets

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.



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1.3 Material accounting policies (continued):

d. Impairment of assets (continued):

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.

Credit-impaired financial assets

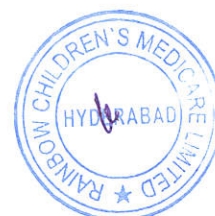
At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have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



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1.3 Material accounting policies (continued):

d. Impairment of assets (continued):

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.

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.

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.



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1.3 Material accounting policies (continued):

h. Employee benefits

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.

Share based payment transactions

The grant date fair value of equity settled share based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

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 Material accounting policies (continued):

h. Employee benefits

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 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.

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.



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1.3 Material accounting policies (continued):

i. Revenue recognition (continued):

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.

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.

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.



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1.3 Material accounting policies (continued):

j. Leases (continued):

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.

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 Material accounting policies (continued):

k. Income-tax (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
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Notes to Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in rupees millions, except share data and unless otherwise stated)

1.3 Material accounting policies (continued):

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. 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.

p. 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.

q. 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.

r. 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.

s. 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. Any refund of share issue expenses will be adjusted against securities premium.



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1.3 Material accounting policies (continued):

t. Segment reporting

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..

u. Recent accounting pronouncements

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 01 April 2023.

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 31 March 2023, MCA notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, to amend the following Ind AS which are effective from 01 April 2023.

1. Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 01 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

There is no material impact on the Company's financial statements due to these amendments.

2. Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

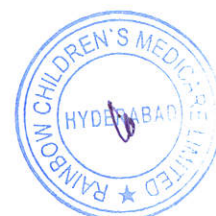
There is no material impact on the Company's financial statements due to these amendments.

3. Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

There is no material impact on the Company's financial statements due to these amendments.



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1.3 Material accounting policies (continued):

v. Climate - related matters

The Company considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Company due to both physical and transition risks. Even though climate-related risks might not currently have a significant impact on measurement, the Company is closely monitoring relevant changes and developments.



Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')
Notes to the Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in rupees millions, 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 (refer note (ii) below)	Medical equipments (refer note (ii) below)	Plant and equipment fixtures	Office equipments	Vehicles	Computers	Total	Capital work-in- progress
Cost or deemed cost										
As at 1 April 2022	33.06	398.11	2,627.10	1,349.59	747.53	414.07	144.71	101.00	6,007.60	46.00
Additions	-	1.00	542.05	290.80	139.65	78.48	36.20	37.08	1,172.68	1,335.67
Disposals*	-	-	-	-	(1.80)	(0.27)	(4.86)	(0.06)	(6.99)	(1,172.68)
As at 31 March 2023 (A)	33.06	399.11	3,169.15	1,640.39	885.38	492.28	176.05	138.02	7,173.29	208.98
As at 1 April 2023	33.06	399.11	3,169.15	1,640.39	885.38	492.28	176.05	138.02	7,173.30	208.98
Additions	5.41	1.54	1,073.22	482.78	305.64	142.12	25.09	85.42	2,237.05	2,166.31
Disposals*	-	-	-	-	-	-	(3.34)	-	(3.34)	(2,237.05)
As at 31 March 2024 (B)	38.47	400.65	4,242.37	2,123.17	1,191.02	634.40	197.80	223.44	9,407.01	138.24
Accumulated depreciation:										
As at 1 April 2022	-	8.52	602.60	729.48	200.75	185.68	70.78	77.11	2,011.06	-
Depreciation	-	6.61	155.56	181.24	56.21	45.68	25.03	18.46	517.55	-
Disposals	-	-	(0.91)	-	(0.14)	-	(4.71)	(0.06)	(5.82)	-
As at 31 March 2023 (C)	-	15.13	758.16	910.72	256.05	231.22	91.10	95.51	2,522.79	-
As at 1 April 2023	-	15.13	758.16	910.72	256.05	231.22	91.10	95.51	2,522.79	-
Depreciation	-	6.64	198.96	214.21	66.35	59.59	29.96	33.86	656.74	-
Disposals	-	-	-	-	-	-	(3.34)	-	(3.34)	-
As at 31 March 2024 (D)	-	21.77	957.12	1,124.93	322.40	290.81	117.72	129.37	3,176.19	-
Net carrying amount										
As at 31 March 2023 (A-C)	33.06	383.98	2,410.99	729.67	629.33	261.06	74.96	42.51	4,650.50	208.98
As at 31 March 2024 (B-D)	38.47	378.88	3,285.25	998.24	868.62	343.59	143.62	94.07	6,230.82	138.24

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

Note:

(i) 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 the amended sub lease agreement dated 27 March 2019 which is effective from 1 April 2019. As at 31 March 2024, leasehold improvements and medical equipments include Rs. 98.74 million and Rs 36.83 million (31 March 2023: Rs. 106.03 million and Rs 55.17 million) respectively in respect of this hospital. The Management is utilising the assets for the purpose of providing medical services at MMHRC.

(ii) Refer note 2.38 for details of incidental expenditure capitalised during the construction period.

(iii) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease arrangements are duly executed in favour of the lessee) are held in the name of the Company and the Company does not have any investment property.

(iv) On transition to Ind AS, the Company has elected to continue with the net carrying value of all Property, plant and equipment measured as per the previous GAAP and use that net carrying value as the deemed cost of Property, plant and equipment.



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

Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts are in rupees millions, except share data and unless otherwise stated)

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

Capital work-in-progress (CWIP) ageing schedule:

As at 31 March 2024	CWIP	Amount in CWIP for a period of				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
	Projects in progress	131.89	6.00	0.35	-	138.24
	Projects temporarily suspended	-	-	-	-	-

As at 31 March 2023	CWIP	Amount in CWIP for a period of				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
	Projects in progress	205.53	2.88	0.57	-	208.98
	Projects temporarily suspended	-	-	-	-	-

There are no capital work in progress projects, whose completion is overdue or has exceed its cost compared to its original plan as at 31 March 2024 and 31 March 2023.

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

Particulars	Other Intangible assets	Intangible assets under development
	Software	
Cost or deemed cost		
As at 1 April 2022	98.63	11.63
Additions	29.13	36.58
Disposals*	-	(29.13)
As at 31 March 2023 (A)	127.76	19.08
As at 1 April 2023	127.76	19.08
Additions	20.59	62.43
Disposals*	-	(20.59)
As at 31 March 2024 (B)	148.35	60.92
Accumulated amortisation		
As at 1 April 2022	85.95	-
Amortisation	8.72	-
Disposals	-	-
As at 31 March 2023 (C)	94.67	-
As at 1 April 2023	94.67	-
Amortisation	12.98	-
Disposals	-	-
As at 31 March 2024 (D)	107.65	-
Net carrying amount		
As at 31 March 2023 (A-C)	33.09	19.08
As at 31 March 2024 (B-D)	40.70	60.92

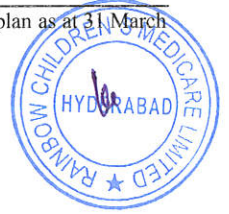
* Disposals with respect to intangible assets under development represents intangible asset capitalisations.

Intangible assets under development ageing schedule:

As at 31 March 2024	Intangible assets under development	Amount in Intangible assets under development for a period of				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
	Projects in progress	47.47	13.45	-	-	60.92
	Projects temporarily suspended	-	-	-	-	-

As at 31 March 2023	Intangible assets under development	Amount in Intangible assets under development for a period 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	-	-	-	-	-

The Company does not have any Intangible assets under development which is overdue or has exceeded its cost compared to its original plan as at 31 March 2024 and 31 March 2023.



Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')
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(All amounts are in rupees millions, except share data and unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
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 2023: 2,600 shares)		
B. Investments at cost		
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 2023: 9,999 shares)		
Less: Impairment loss	(0.10)	(0.10)
(b) Rainbow Women & Children's Hospitals Private Limited	0.10	0.10
9,999 shares of Rs.10 each, fully paid up (31 March 2023: 9,999 shares)		
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 2023: 14,185,247 shares)		
(d) Rosewalk Healthcare Private Limited	324.11	324.11
36,046,585 shares of Rs.10 each, fully paid up (31 March 2023: 36,046,585 shares)		
Less: Impairment loss **	(46.30)	(46.30)
(e) Rainbow Fertility Private Limited	45.00	45.00
4,499,999 shares of Rs.10 each, fully paid up (31 March 2023: 4,499,999 shares)		
(f) Rainbow CRO Private Limited	0.10	0.10
99,999 shares of Rs.10 each, fully paid up (31 March 2023: 99,999 shares)		
	465.45	465.45
Aggregate book value of unquoted investments	465.45	465.45
Aggregate amount of impairment in value of investments	46.50	46.50
*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 2024 is Rs. 0.03 million (31 March 2023: Rs. 0.03 million).		
** The Company has 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 Rs Nil for the year ended 31 March 2024 (31 March 2023: Rs 46.30 million) as an impairment loss on investment.		
The Company's exposure to credit risk and market risk related to investments has been disclosed in Note 2.39.		
2.3 (a) Other financial assets (non-current) (at amortised cost)		
Bank deposits with remaining maturity more than 12 months	25.11	2,006.06
Interest accrued on deposits	2.28	69.50
Security deposits	225.02	179.80
	252.41	2,255.36
The Company's exposure to credit and market risk are disclosed in Note 2.39.		
2.3 (b) Other financial assets (current) (at amortised cost)		
Bank deposits with remaining maturity less than 12 months	1,698.44	2,756.79
Interest accrued on deposits	94.40	87.54
Security deposits	-	30.00
	1,792.84	2,874.33
2.4 Non-current tax assets (net)		
Advance tax (net of provision for taxation) (refer note 2.27 (b))	136.00	21.51
	136.00	21.51
2.5 Other non-current assets (Unsecured, considered good)		
Capital advances		
- to other than related parties	1,700.22	271.37
Prepaid expenses	25.01	11.16
Amounts paid under protest	9.99	10.03
	1,735.22	292.56
(Unsecured, considered doubtful)		
Capital advances (credit impaired)	0.15	11.43
Less: Allowance for doubtful advances	(0.15)	(11.43)
	1,735.22	292.56
2.6 Inventories (valued at the lower of cost or net realisable value)		
Medical consumables and pharmacy items	225.86	176.74
	225.86	176.74



Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')
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 (All amounts are in rupees millions, except share data and unless otherwise stated)

	As at	As at
	31 March 2024	31 March 2023

2.7 Current investments

Investments at fair value through profit or loss

Quoted:

Investments in Mutual funds - quoted

Aditya Birla Sunlife Banking & PSU Debt Fund - Growth - Direct Plan 891,229.77 Units (31 March 2023: Nil Units)	305.59	-
Aditya Birla Sunlife Liquid Fund - Growth - Direct Plan Nil Units (31 March 2023: 55,293.93 Units)	-	20.08
HDFC Liquid Fund - Growth - Direct Plan 31,696.61 Units (31 March 2023: 8.80 Units)	150.36	0.04
HDFC Large & Midcap Fund - Growth - Direct Plan 73,194.97 Units (31 March 2023: Nil Units)	21.91	-
Bandhan Liquid Fund - Daily IDCW - Direct Plan Nil Units (31 March 2023: 0.10 Units)	-	0.00
Bandhan Liquid Fund - Growth Direct Plan 33,185.09 Units (31 March 2023: 42,770.67 Units)	96.81	116.28
UTI Money Market Fund - Growth - Direct Plan 130,817.03 Units (31 March 2023: Nil Units)	371.16	-
ICICI Prudential Large & Midcap Fund - Growth - Direct Plan 24,252.04 Units (31 March 2023: Nil Units)	22.22	-
ICICI Prudential Banking & PSU Debt Fund - Growth - Direct Plan 9,932,127.10 Units (31 March 2023: Nil Units)	305.70	-
ICICI Prudential All Seasons Bond Fund - Growth - Direct Plan 1,407,864.73 Units (31 March 2023: Nil Units)	50.22	-
ICICI Prudential Equity Arbitrage Fund - Growth - Direct Plan 10,692,747.42 Units (31 March 2023: Nil Units)	358.04	-
ICICI Liquid Fund - Growth - Direct Plan Nil Units (31 March 2023: 3,48,842.10 Units)	-	116.23
Sundaram Liquid Fund - Growth - Direct Plan Nil Units (31 March 2023: 56,004.61 Units)	-	111.33
Tata Money Market Fund - Growth - Direct Plan 22,126.04 Units (31 March 2023: Nil Units)	96.64	-
Tata Liquid Fund - Growth - Direct Plan Nil Units (31 March 2023: 32,715.36 Units)	-	116.19
Nippon India Liquid Fund - Growth - Direct Plan Nil Units (31 March 2023: 18,373.67 Units)	-	101.18
Parag Parikh Flexi Cap Fund - Growth - Direct Plan 259,223.76 Units (31 March 2023: Nil Units)	19.41	-
SBI Arbitrage Opportunities Fund - Growth - Direct Plan 8,818,633.98 Units (31 March 2023: Nil Units)	288.67	-
Kotak Banking & PSU Debt Fund - Growth - Direct Plan 4,989,380.42 Units (31 March 2023: Nil Units)	306.14	-
Kotak Corporate Bond Fund - Growth - Direct Plan 86,518.92 Units (31 March 2023: Nil Units)	305.86	-
Kotak Money Market Fund - Growth - Direct Plan 40,461.73 Units (31 March 2023: Nil Units)	166.80	-
Axis Liquid Fund - Growth - Direct Plan 48,676.37 Units (31 March 2023: Nil Units)	130.63	-
	2,996.16	581.33

Aggregate amount of quoted investments and market value thereof

2,996.16 581.33

The Company's exposure to credit risk and market risk related to investments has been disclosed in Note 2.39.



	As at 31 March 2024	As at 31 March 2023
2.8 Trade receivables		
Trade receivables - unsecured, considered good (refer note (b) below)	770.56	622.22
Unbilled revenue - unsecured, considered good (refer note 2.42)	84.62	71.07
Total	855.18	693.29
Less: Allowance for expected credit loss	(139.59)	(183.88)
Net total trade receivables	715.59	509.41

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 42% (31 March 2023: 26%) 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 2.39.

(b) Refer note 2.31 (c) for related party balances.

Trade Receivables ageing schedule:
As at 31 March 2024

Particulars			Outstanding for following periods from due date of payment					Total
	Unbilled revenue	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Unbilled Revenue, Undisputed - considered good	84.62	-	-	-	-	-	-	84.62
(ii) Undisputed Trade receivables - considered good	-	424.62	230.62	21.60	64.20	23.28	6.24	770.56
(iii) Undisputed Trade Receivables - which have significant increase in credit	-	-	-	-	-	-	-	-
(iv) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - which have significant increase in credit	-	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Total	84.62	424.62	230.62	21.60	64.20	23.28	6.24	855.18
Less: Allowance for expected credit loss								(139.59)
Net total trade receivables								715.59

As at 31 March 2023

Particulars			Outstanding for following periods from due date of payment					Total
	Unbilled revenue	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Unbilled Revenue, Undisputed - considered good	71.07	-	-	-	-	-	-	71.07
(ii) Undisputed Trade receivables - considered good	-	195.87	229.29	84.01	37.19	20.25	55.61	622.22
(iii) Undisputed Trade Receivables - which have significant increase in credit	-	-	-	-	-	-	-	-
(iv) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - which have significant increase in credit	-	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Total	71.07	195.87	229.29	84.01	37.19	20.25	55.61	693.29
Less: Allowance for expected credit loss								(183.88)
Net total trade receivables								509.41

There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

2.9 (a) Cash and cash equivalents

Cash on hand
Balance with banks
- On current accounts
- On deposit accounts (with original maturity of 3 months or less)

	As at 31 March 2024	As at 31 March 2023
Cash on hand	7.42	4.93
Balance with banks		
- On current accounts	67.43	87.98
- On deposit accounts (with original maturity of 3 months or less)		25.00
	74.85	117.91

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)
Unpaid dividend

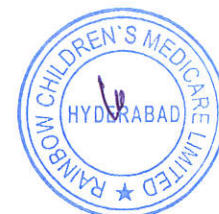
	As at 31 March 2024	As at 31 March 2023
Deposit account (with original maturity more than 3 months but less than 12 months)	-	253.49
Unpaid dividend	0.07	0.07
	0.07	253.56

(a) The Company's exposure to credit risk and market risk are disclosed in note 2.39.

(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' - 25.00
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
Bank deposits with original maturity more than 12 months and remaining maturity less than 12 months included under 'Other financial assets (current)' 1,698.44 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)' * 25.11 2,006.06

*Includes Rs. Nil (31 March 2023: Rs. 139.93 million) towards margin money deposits against bank guarantees.



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(All amounts are in rupees millions, except share data and unless otherwise stated)

2.10 Loans (non-current)
(Unsecured, considered good)
Loans receivable ** ^
- considered good

	As at 31 March 2024	As at 31 March 2023
	205.48	337.98
	205.48	337.98
Interest accrued on - Loans receivable ** ^	127.03	99.55
	332.51	437.53

** Unsecured Loans receivable aggregating as at 31 March 2024: Rs. 205.48 million (31 March 2023: Rs. 337.98 million) was given to 2 parties (31 March 2023: 1 party) at an interest rate of 9.50% p.a. (31 March 2023: 9.5% p.a.). This loan was given towards the working capital requirements of the borrowers.

Subsequent to year end, there has been a change in the terms of repayment of loan (principal) for one of the borrower by providing a moratorium period of 2 years from 01 April 2024 to 01 April 2026 and reduced the rate of interest from 9.5% p.a. to 8.5% p.a.

^ Refer note 2.31 (c) for related party balances.

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

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	337.98	666.01
Given during the year	2.00	11.35
Written off during the year	-	(0.53)
Repaid during the year	(134.50)	(338.85)
Closing balance	205.48	337.98

Details of Loans advanced during the year ended 31 March 2024:

Name of the borrower	Nature of relationship	Purpose of deposits given	As at 1 April 2023	Given during the year	Written off during the year	Repaid during the year	As at 31 March 2024
Madhukar Rainbow Children's Hospital	Others	Working capital	337.98	-	-	(134.50)	203.48
Rosewalk Healthcare Private Limited	Related party	Working capital	-	2.00	-	-	2.00
			337.98	2.00	-	(134.50)	205.48

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	Repaid during the year	As at 31 March 2023
Madhukar Rainbow Children's Hospital	Others	Working capital	430.48	-	-	(92.50)	337.98
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)	-	-
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

2.11 Other current assets

(Unsecured, considered good)

Advances to suppliers
Prepaid expenses
Advance to employees *

	As at 31 March 2024	As at 31 March 2023
	92.78	92.50
	39.47	49.24
	5.35	8.08
	137.60	149.82
(Unsecured, considered doubtful)		
Advances to suppliers (credit impaired)	3.31	-
Less: Allowance for doubtful advances	(3.31)	-
	137.60	149.82

* Refer note 2.31(c) for advance to Key managerial personnel



2.12 Share capital

Authorised

150,000,000 (31 March 2023: 150,000,000) equity shares of Rs. 10 each

	As at 31 March 2024	As at 31 March 2023
	1,500.00	1,500.00
	1,500.00	1,500.00

Issued, subscribed and paid-up

101,501,687 (31 March 2023: 101,501,687) equity shares of Rs. 10 each, fully paid-up

	1,015.02	1,015.02
	1,015.02	1,015.02

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
(i) Equity shares of Rs. 10 each, fully paid-up				
At the commencement of the year	101,501,687	1,015.02	94,053,928	940.54
Add: Shares issued during the year	-	-	5,167,679	51.68
Add: Converted during the year	-	-	2,280,080	22.80
At the end of the year	101,501,687	1,015.02	101,501,687	1,015.02
(ii) Series A CCPS of Rs. 48 each, fully paid-up				
At the commencement of the year	-	-	1,146,771	55.05
Add: Shares issued during the year	-	-	-	-
Less: Converted during the year	-	-	(1,146,771)	(55.05)
At the end of the year	-	-	-	-
(iii) Series B CCPS of Rs. 48 each, fully paid-up				
At the commencement of the year	-	-	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	-	-	-	-

b) Rights, preferences and restrictions attached

i) Equity shares :

The Company has a single class of equity shares of face 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 liquidation 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 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 109.44. The same is approved by the members of the Company in their Annual General Meeting held on 15 September 2022.

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 2024		As at 31 March 2023	
	Number of shares	%	Number of shares	%
(f) Equity shares of Rs. 10 each, fully paid-up held by:				
- Dr. Ramesh Kancharla	31,494,654	31.03%	31,494,654	31.03%
- Dr. Dinesh Kumar Chirila	6,633,310	6.54%	6,633,310	6.54%
- Dr. Adarsh Kancharla	6,110,432	6.02%	6,110,432	6.02%
- Kancharla Family Trust	5,179,200	5.10%	5,179,200	5.10%

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.

e) Shareholding of promoters (each class)

As at 31 March 2024

Promoter Name	Number of shares at the beginning of the year	Change during the year	Number of shares at the end of the year	% of total shares	% change during the year
Equity shares:					
Dr Ramesh Kancharla	31,494,654	-	31,494,654	31.03%	-
Dr Dinesh Kumar Chirila	6,633,310	-	6,633,310	6.54%	-
Dr Adarsh Kancharla	6,110,432	-	6,110,432	6.02%	-
Kancharla Family Trust	5,179,200	-	5,179,200	5.10%	-
Total	49,417,596	-	49,417,596	48.69%	-

As at 31 March 2023

Promoter Name	Number of shares at the beginning of the year	Change during the year	Number of shares at the end of the year	% of total shares	% change during the year
Equity shares:					
Dr Ramesh Kancharla	36,849,284	(5,354,630)	31,494,654	31.03%	14.53%
Dr Dinesh Kumar Chirila	8,560,000	(1,926,690)	6,633,310	6.54%	22.51%
Dr Adarsh Kancharla	7,555,452	(1,445,020)	6,110,432	6.02%	19.13%
Kancharla Family Trust	5,179,200	-	5,179,200	5.10%	-
Total	58,143,936	(8,726,340)	49,417,596	48.69%	56.16%

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
Profit for the year	-	-	-	2,058.93	2,058.93
Amount transferred from debenture redemption reserve	-	-	-	40.00	40.00
Appropriations:					
Amount transferred /utilised	-	-	(40.00)	-	(40.00)
Unpaid dividend	-	-	-	(0.07)	(0.07)
Share issue expenses	(138.60)	-	-	-	(138.60)
Final dividend on equity shares for the year ended 31 March 2022. i.e. Rs. 2 per share	-	-	-	(202.93)	(202.93)
Remeasurement of defined benefit liability, net of tax effect	-	-	-	3.61	3.61
Balance as at 31 March 2023	3,972.28	44.43	-	5,852.15	9,868.86
Particulars	Securities premium	General reserve	Share Options outstanding	Retained earning	Total other equity
Balance as at 1 April 2023	3,972.28	44.43	-	5,852.15	9,868.86
Profit for the year	-	-	-	2,148.91	2,148.91
Employee share based payment expenses (refer note 2.45)	-	-	96.58	-	96.58
Appropriations:					
Refund of share issue expenses *	14.70	-	-	-	14.70
Final dividend on equity shares for the year ended 31 March 2023. i.e. Rs. 3 per share	-	-	-	(304.44)	(304.44)
Remeasurement of defined benefit liability, net of tax effect	-	-	-	12.88	12.88
Balance as at 31 March 2024	3,986.98	44.43	96.58	7,709.50	11,837.49

* During the year, the Company has received an amount of Rs. 14.70 million towards the Company's share of unspent share issue expenses. The same has been adjusted with securities premium as per Companies Act,

Nature and purpose

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 a free reserve which is used from time to time to transfer profits from retained earnings. 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 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.

Retained earnings

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

Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued under 'Rainbow Children's Medicare Limited - Employee Stock Unit Plan 2023 (refer note 2.45).

Dividend

Distribution made and proposed

Dividends on equity shares declared and paid:

Final dividend for the year ended 31 March 2023: Rs. 3 per share (31 March 2022: Rs 2 per share)

	31 March 2024	31 March 2023
	304.51	203.00
	304.51	203.00

Proposed dividends on Equity shares:

Proposed dividend for the year ended 31 March 2024: Rs. 3 per share (31 March 2023: Rs 3 per share)

	304.51	304.51
	304.51	304.51

The Board of Directors of the Company, at its meeting held on 19 May 2024, have proposed a final dividend of Rs. 3 per Equity Share having face value of Rs 10 each aggregating to Rs.304.51 million for the financial year ended 31 March 2024. 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.



	As at 31 March 2024	As at 31 March 2023
2.14 Provisions (non-current)		
Provision for employee benefits		
- Gratuity (refer note 2.30(b))	55.93	68.02
- Compensated absences	17.01	-
	72.94	68.02
2.15 Trade payables		
Trade payables		
- total outstanding dues to micro enterprises and small enterprises (MSME) (refer note 2.36)	86.09	78.08
- total outstanding dues to creditors other than micro enterprises and small enterprises	677.30	671.61
	763.39	749.69

The Company's exposure to liquidity and currency risk and loss allowances related to trade payables are disclosed in note 2.39.
Trade payables are non-interest bearing and are normally settled on 30 to 45 days terms.
Refer note 2.31(c) for related party balances.

Trade payables ageing schedule

As at 31 March 2024

Particulars	Outstanding for following periods due date of payment					Total
	Current but not due	Less than - 1 year	1-2 years	2-3 years	More than 3 years	
i) Total outstanding dues of micro enterprises and small enterprises (refer note 2.36)	-	84.46	1.42	0.19	0.02	86.09
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	163.31	503.01	6.57	3.49	0.92	677.30
iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	163.31	587.47	7.99	3.68	0.94	763.39

As at 31 March 2023

Particulars	Outstanding for following periods due date of payment					Total
	Current but not due	Less than - 1 year	1-2 years	2-3 years	More than 3 years	
i) Total outstanding dues of micro enterprises and small enterprises (refer note 2.36)	-	78.08	-	-	-	78.08
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	118.05	542.52	9.38	1.26	0.40	671.61
iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	118.05	620.60	9.38	1.26	0.40	749.69

	As at 31 March 2024	As at 31 March 2023
2.16 Other financial liabilities (current) (at amortised cost)		
Employee benefit payables ^	91.39	161.32
Creditor for capital goods	211.57	167.55
Other payables	21.53	0.07
	324.49	328.94

^ Refer note 2.31(c) for related party balances.

The Company's exposure to liquidity risk related to other financial liabilities are disclosed in note 2.39.

	As at 31 March 2024	As at 31 March 2023
2.17 Provisions (current)		
Provision for employee benefits		
Gratuity (refer note 2.30 (b))	17.02	3.43
Compensated absences	10.70	12.81
	27.72	16.24
Provision for claims, other than taxes*	1.94	1.94
	29.66	18.18

***Movement in provision for claims, other than taxes:**

Opening balance	1.94	1.94
Add: Addition during the year	-	-
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.

2.18 Current tax liability (net)		
Provision for taxation (net of advance tax)	0.01	0.83
	0.01	0.83

2.19 Other current liabilities		
Contract liabilities (advance from patients) (refer note. 2.42)	33.72	28.59
Statutory liabilities	80.63	73.14
	114.36	101.73

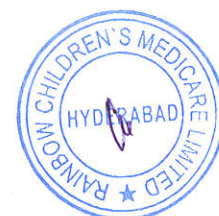


Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')

Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts are in rupees millions, except share data and unless otherwise stated)

	For the year ended 31 March 2024	For the year ended 31 March 2023
2.20 Revenue from operations		
Income from medical and healthcare services		
- Revenue from hospital services (refer note 2.42)	10,710.49	9,655.51
- Revenue from pharmacy sales (refer note 2.42)	1,299.05	1,138.56
- Revenue from medical service fee (refer note 2.42)	253.05	225.41
	12,262.59	11,019.48
Other operating income		
- Cord blood extraction	28.60	31.84
- Canteen income	32.79	37.73
- Sponsorship income	-	22.72
- Sale of baby products	1.86	-
- Others	39.78	28.13
	103.03	120.42
Total revenue from operations	12,365.62	11,139.90
2.21 Other income		
Interest income on financial assets carried at amortised cost		
- Bank deposits	151.75	240.46
- Loans (refer note 2.31)	27.48	50.81
- Other financial assets carried at amortised cost	13.28	11.77
Dividend income from subsidiary	14.19	-
Gain on redemption of mutual funds, net	73.55	3.52
Net gain on financial assets measured at fair value through profit or loss	58.85	5.43
Reversal of expected credit loss, net	28.42	-
Liabilities no longer required written back	0.69	-
Gain on sale of property, plant and equipment, net	1.27	0.30
	369.48	312.29
2.22 Cost of materials consumed		
Inventory at the beginning of the year	176.74	138.81
Add: Purchases during the year	1,620.39	1,539.15
Less: Closing inventory	(225.86)	(176.74)
	1,571.27	1,501.22
2.23 Employee benefits expense *		
Salaries, wages and bonus	1,480.46	1,222.42
Contribution to provident and other funds (refer note 2.30(a))	63.35	49.18
Gratuity expense (refer note 2.30(b))	28.88	22.52
Employee share based payment expenses (refer note 2.45)	54.30	-
Staff welfare expenses	60.10	66.26
	1,687.09	1,360.38
* Net of amount capitalised (refer note 2.38)		
2.24 Finance costs *		
Interest cost on financial liabilities measured at amortised cost		
- on debentures	-	7.29
Interest expense on lease liabilities (refer note 2.32)	560.66	507.36
Others (including interest on income tax)	-	6.24
	560.66	520.89
* Net of amount capitalised (refer note 2.38)		
2.25 Depreciation and amortisation expense		
Depreciation on property, plant and equipment (refer note 2.1(a))	656.74	517.55
Amortisation of intangible assets (refer note 2.1(b))	12.98	8.72
Depreciation of right-of-use assets (refer note 2.32) *	381.79	310.81
	1,051.51	837.08
* Net of amount capitalised (refer note 2.38)		



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

Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts are in rupees millions, except share data and unless otherwise stated)

	For the year ended 31 March 2024	For the year ended 31 March 2023
2.26 (i) Professional fees to doctors *	2,877.30	2,554.04
	2,877.30	2,554.04
* Net of amount capitalised (refer note 2.38)		
2.26 (ii) Other expenses *		
Hospital maintenance	62.83	59.31
Canteen expenses	223.07	180.45
Contract wages	308.24	254.07
Housekeeping expenses	72.86	70.37
Power and fuel	248.09	194.23
Lab and investigations	164.11	112.69
Repairs and maintenance		
- Plant and equipment	74.21	64.73
- Others	155.09	194.33
Rent (refer note 2.32)	15.62	13.22
Rates and taxes	133.39	111.08
Business promotion and advertisement	272.85	262.75
Travelling and conveyance	56.31	48.58
Printing and stationary	80.49	71.56
Bad debts written off	0.15	10.49
Inter corporate deposits written off (including interest accrued)	-	0.66
Allowance for expected credit loss	-	42.22
Advances written off	3.46	11.43
Communication expenses	64.63	60.88
Insurance	15.73	12.09
Professional and consultancy	56.98	50.11
Audit fees (refer note 2.34)	6.33	6.85
Impairment loss on non current investment	-	46.30
Directors sitting fees	5.43	5.02
Donations	-	0.40
Corporate social responsibility (refer note 2.37)	35.23	24.33
Bank charges	32.64	30.01
Foreign exchange loss, net	0.21	1.35
Miscellaneous expenses	7.16	10.73
	2,095.10	1,903.94
* Net of amount capitalised (refer note 2.38)		
2.27 Tax expense, net		
Amounts recognised in the Statement of Profit and Loss		
Current tax	745.43	811.41
Deferred tax credit	(2.17)	(142.00)
	743.26	669.41
Amounts recognised in other comprehensive income		
Deferred tax credit	(4.33)	(1.22)
	(4.33)	(1.22)
a. Reconciliation of effective tax rate		
Profit before tax	2,892.17	2,728.34
Enacted tax rate	25.17%	25.17%
Tax expense at enacted rates	727.90	686.67
80JJAA deduction	(8.81)	(2.34)
Expenses not deductible for tax	12.06	4.11
Others	16.44	(17.81)
	747.59	670.63



2.27 Tax expenses, net (continued)

b. The following table provides the details of non-current tax assets and current tax liabilities:

	As at 31 March 2024	As at 31 March 2023
Non-current tax assets, net	136.00	21.51
Current tax liabilities, net	(0.01)	(0.83)
Net non-current tax assets at the end of the year	135.99	20.68

c. The gross movement in the net non-current tax assets is as follows:

	As at 31 March 2024	As at 31 March 2023
Net non-current tax assets at the beginning of the year	20.68	48.90
Income tax paid	860.74	783.19
Income tax expense for the year	(745.43)	(811.41)
Net non-current tax assets at the end of the year	135.99	20.68

d. Recognition of deferred tax assets and liabilities

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

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax liability		
Property, plant and equipment	254.76	257.47
Right-of-use of assets	1,403.08	955.11
Others	14.81	1.37
Total deferred tax liability	1,672.65	1,213.95
Deferred tax asset		
Loss allowance on receivables	35.13	59.72
Provision for employee benefits	30.92	22.42
Provision for bonus	11.19	32.88
Lease liabilities	1,849.09	1,354.77
Total deferred tax asset	1,926.33	1,469.79
Net deferred tax assets	253.68	255.84

(ii) Movement in temporary differences

Particulars	Balance as at 1 April 2023	Recognised in standalone statement of profit or loss during the year	Recognised in OCI during the year	Balance as at 31 March 2024
Loss allowance on receivables	59.72	(24.59)	-	35.13
Provision for employee benefits	22.42	12.83	(4.33)	30.92
Provision for bonus	32.88	(21.69)	-	11.19
Lease liabilities	1,354.77	494.32	-	1,849.09
Right-of-use of assets	(955.11)	(447.97)	-	(1,403.08)
Property, plant and equipment	(257.47)	2.71	-	(254.76)
Others	(1.37)	(13.44)	-	(14.81)
	255.84	2.17	(4.33)	253.68

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 assets	(973.53)	18.42	-	(955.11)
Property, plant and equipment	(267.36)	9.89	-	(257.47)
Others	(1.32)	(0.05)	-	(1.37)
	115.06	142.00	(1.22)	255.84



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

Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts are in rupees millions, except share data and unless otherwise stated)

2.28 Contingent liabilities

	As at 31 March 2024	As at 31 March 2023
(i) Demands under dispute		
- Income-tax matters	4.14	-
- Goods and services tax	79.06	-
- Luxury tax demand under dispute	18.55	18.55
(ii) Claims against the Company not acknowledged as debt (Medico-legal) *	112.04	84.85
	213.79	103.40

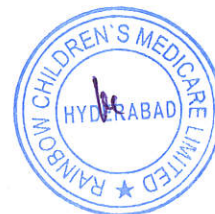
* The Company is involved in the disputes, law suites, claims from patients/patient relatives that arise from time to time in ordinary course of business. Based on external legal advise, management believes none of the matters, either in individual or in aggregate will have any material effect on its 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.

The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business including litigation before tax authorities and including matters mentioned above. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the claimants or the Company, as the case may be, and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes. The Management believes that it has a reasonable case in its defence of the proceedings and accordingly no further provision is required.

2.29 Capital commitments

	As at 31 March 2024	As at 31 March 2023
- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	315.69	373.50



2.30 Employee benefit plans

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 2024 amounts to Rs. 55.28 million and Rs. 8.07 million respectively (31 March 2023: Rs. 40.78 million and Rs. 8.40 million respectively) (refer note 2.23).

(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 Company contributes all ascertained liabilities towards gratuity to the Fund. The plan assets have been primarily invested in insurer managed funds. The Company's obligation in respect of gratuity plan, which is a defined benefit plan is provided for based on actuarial valuation carried out by an independent actuary using the projected unit credit method.

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

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's standalone financial statements as at the balance sheet date:

	As at 31 March 2024	As at 31 March 2023
Defined benefit obligation	77.95	71.45
Fair value of plan assets	(5.00)	-
Net defined benefit obligation	72.95	71.45
Provisions (current) (Refer note 2.17)	17.02	3.43
Provisions (non-current) (Refer note 2.14)	55.93	68.02

B. Reconciliation of net defined benefit obligation:

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit obligation, plan assets and its components:

i. Reconciliation of present value of defined benefit obligation:

	As at 31 March 2024	As at 31 March 2023
Defined benefit obligation as at beginning of the year	71.45	58.01
Current service cost	23.65	18.42
Interest cost	5.23	4.12
Actuarial gains recognised in other comprehensive income	(17.21)	(4.83)
Benefits paid	(5.17)	(4.27)
Defined benefit obligation at the end of the year	77.95	71.45

ii. Reconciliation of fair value of plan assets

	As at 31 March 2024	As at 31 March 2023
Plan assets as at the beginning of the year	-	-
Contributions paid in to the plan	10.18	-
Return on plan assets less interest on plan assets	(0.00)	-
Benefits paid	(5.18)	-
	5.00	-

C.(i) Gratuity expense recognised in the statement of profit and loss:

	For the year ended 31 March 2024	For the year ended 31 March 2023
Current service cost	23.65	18.42
Interest on defined benefit obligation	5.23	4.12
Gratuity expenses, included in employee benefit expenses	28.88	22.54

C.(ii) Re-measurements recognised in other comprehensive income

	For the year ended 31 March 2024	For the year ended 31 March 2023
Actuarial (gain) on defined benefit obligation		
- Actuarial loss/(gain) arising from change in financial assumptions	0.95	(2.26)
- Actuarial gain arising from change in demographic assumptions	(17.59)	-
- Actuarial gain arising on account of experience changes	(0.57)	(2.57)
Actuarial gain recognised in other comprehensive income	(17.21)	(4.83)

D. Plan assets

Plan assets comprises of the following:

	As at 31 March 2024	As at 31 March 2023
Fund managed by insurer	5.00	-

E. Defined benefit obligation

Actuarial assumptions at balance sheet date:

	For the year ended 31 March 2024	For the year ended 31 March 2023
Discount rate	7.15% p.a	7.50% p.a
Salary escalation rate	8% p.a	8% p.a
Attrition rate		
Age 21 to 30	49% p.a	10% p.a
Age 31 to 40	34% p.a	5% p.a
Age 41 to 50	24% p.a	3% p.a
51 and above	18% p.a	2% p.a
Retirement Age	58 years	58 years

Maturity profile of defined benefit obligation

	As at 31 March 2024	As at 31 March 2023
1st following year	22.02	3.43
Year 2 to 5	49.73	15.11
Year 6 to 9	21.17	20.44
For 10 years and above	11.18	184.86

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.

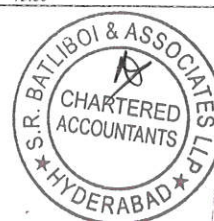
Sensitivity analysis: Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant would have affected the defined benefit obligation by the amounts shown below:

	As at 31 March 2024		As at 31 March 2023		
	Increase	Decrease	Increase	Decrease	
Discount rate (50 bps movement)	76.60	79.36	67.23	76.08	
Salary escalation rate (50 bps movement)	79.28	76.66	75.80	67.42	

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 2025 is Rs. 22.02 millions.

The weighted average duration of the defined benefit obligation is 3.54 years (31 March 2023: 12.37 years)



Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')
Notes to the Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in rupees millions, except share data and unless otherwise stated)

2.31 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 Ms. Sundari Raviprasad Pisupati, Independent Director Mr. Aluri Srinivasa Rao, Independent Director Mr. Ashish Kapil, Company Secretary Mr. R. Gowrisankar, Chief Financial Officer (resigned w.e.f 31 May 2023) Mr. Vikas Maheshwari, Chief Financial Officer (appointed w.e.f 01 June 2023) Mr. Sanjeev Sukumaran, Chief Operating Officer (appointed w.e.f 15 April 2023) Dr. Adarsh Kancharla, Non-Executive Director (appointed w.e.f 24 January 2024)
Relative of key managerial personnel	Mrs. Padma Kancharla, wife 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) (up to 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) Rainbow Children's Hospital Foundation (Trust) (w.e.f 12 September 2023)
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 2024	For the year ended 31 March 2023
Revenue from medical/ professional services rendered		
- Rainbow Children's Foundation (Trust)	7.34	1.95
Revenue from pharmacy sales		
- Rainbow Speciality Hospitals Private Limited	7.90	7.77
- Rosewalk Healthcare Private Limited	9.41	11.43
Revenue from medical service fee		
- Rainbow Speciality Hospitals Private Limited	-	3.18
- Rosewalk Healthcare Private Limited	-	7.20
Other expense		
- Rainbow Speciality Hospitals Private Limited	0.21	-
- 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	7.28	7.71
- Unimed Healthcare Private Limited	13.52	-
Medical service fee paid		
- Rainbow Speciality Hospitals Private Limited	3.15	-
- Ravindranath GE Medical Associates Private Limited	0.25	-
Medical consumables and pharmacy items		
- Rainbow Speciality Hospitals Private Limited	0.30	0.23
- Rosewalk Healthcare Private Limited	4.41	0.35
Dividend Received		
- Rainbow Speciality Hospitals Private Limited	14.19	-



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

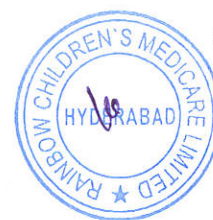
Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts are in rupees millions, except share data and unless otherwise stated)

2.31 Related parties (continued)

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

	For the year ended 31 March 2024	For the year ended 31 March 2023
Reimbursement of expenditure		
- Rainbow Speciality Hospitals Private Limited	-	0.53
Rental expenditure		
- Unimed Healthcare Private Limited	48.46	24.38
- Rainbow Speciality Hospitals Private Limited	-	0.76
CSR expenditure		
- Rainbow Children's Hospital Foundation (Trust)	10.00	-
Rental income		
- Rosewalk Healthcare Private Limited	0.10	-
Interest income on inter-corporate deposit		
- Rainbow Children's Hospital Private Limited	-	0.00
- Rainbow Women & Children's Hospital Private Limited	-	0.04
- Rosewalk Healthcare Private Limited	0.07	11.30
- Rainbow Fertility Private Limited	-	0.04
- Rainbow C R O Private Limited	-	0.01
Investment in equity share capital		
- Rosewalk Healthcare Private Limited	-	310.00
Inter-corporate deposits placed		
- Rosewalk Healthcare Private Limited	2.00	11.35
Inter-corporate deposit realised		
- Rainbow Fertility Private Limited	-	1.84
- Rosewalk Healthcare Private Limited	-	244.42
- 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		
- 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
Travel advance to KMP		
- Dr. Ramesh Kancharla	0.33	-
Professional charges to KMP		
- Dr. Dinesh Kumar Chirla	34.04	39.80
- Dr. Adarsh Kancharla	0.96	-
Expenses incurred on behalf of related parties		
- Mr. Ramadhara Naidu Kancharla	0.05	0.02
Remuneration to KMP*		
- Dr. Ramesh Kancharla	65.00	65.00
- Mr. R.Gowrisankar	1.72	10.27
- Mr. Vikas Maheshwari	12.36	-
- Mr. Sanjeev Sukumaran	23.19	-
- Mr. Ashish Kapil	2.77	2.80



Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')
Notes to the Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in rupees millions, except share data and unless otherwise stated)

2.31 Related parties (continued)

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

	For the year ended 31 March 2024	For the year ended 31 March 2023
Project management consultancy fee to relative of KMP		
- Mr. Ramadhara Naidu Kancharla	6.00	6.00
Consultancy fee to KMP		
- Dr. Adarsh Kancharla	-	0.60
Commission to Independent Directors		
- Mr. Aluri Srinivasa Rao	1.00	1.00
- Mr. Anil Dhawan	1.00	1.00
- Mrs. Sundari Raviprasad Pisupati	1.00	1.00
- Mr. Santanu Mukherjee	1.00	1.00
Sitting fees paid to Directors		
- Mr. Anil Dhawan	1.15	1.05
- Mr. Aluri Srinivasa Rao	0.80	1.10
- Mrs. Sundari Raviprasad Pisupati	1.15	0.90
- Mr. Santanu Mukherjee	1.40	1.20
- Dr. Adarsh Kancharla	0.10	-
Leave travel allowance paid to KMP		
- Dr. Ramesh Kancharla	3.05	2.57
- Dr. Dinesh Kumar Chirla	1.20	1.20
Expenditure incurred on behalf of KMP		
- Dr. Dinesh Kumar Chirla	0.07	-
Redemption of 9.50% redeemable non-convertible debentures		
- CDC Emerging Markets Limited	-	400.00
Interest on 9.50% redeemable non-convertible debentures		
- CDC Emerging Markets Limited	-	7.29
Interest paid on 9.50% redeemable non-convertible debentures		
- CDC Emerging Markets Limited	-	25.82
Dividend paid during the year to KMP and relative of KMP		
- Dr. Ramesh Kancharla	94.48	62.99
- Dr. Dinesh Kumar Chirla	19.90	13.27
- Dr. Adarsh Kancharla	18.33	12.22
- Mr. Ramadhara Naidu Kancharla	0.18	0.12
- Mr. R.Gowrisankar	0.01	0.01
- Mr. Ashish Kapil	0.00	0.00

*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.

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

	As at 31 March 2024	As at 31 March 2023
Trade payables		
- Ravindranath GE Medical Associates Private Limited	1.29	0.01
- Rainbow Speciality Hospitals Private Limited	-	0.00
- Rosewalk Healthcare Private Limited	0.01	2.70
- Rainbow Children's Foundation (Trust)	-	0.04
Trade receivables		
- Rainbow Speciality Hospitals Private Limited	-	0.01
- Rosewalk Healthcare Private Limited	32.70	25.38
- Rainbow Children's Foundation (Trust)	1.19	0.00
Salary advance to KMP		
- Mr. R.Gowrisankar	-	0.40
Travel advance to KMP		
- Dr. Ramesh Kancharla	0.33	-



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

Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts are in rupees millions, except share data and unless otherwise stated)

2.31 Related parties (continued)

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

	As at 31 March 2024	As at 31 March 2023
Project management consultancy fee payable to relative of KMP		
- Mr. Ramadhara Naidu Kancharla	0.50	0.50
Consultancy fee payable to KMP		
- Dr. Adarsh Kancharla	-	0.10
Commission payable to Independent Directors		
- Mr. Aluri Srinivasa Rao	1.00	1.00
- Mr. Anil Dhawan	1.00	1.00
- Mrs. Sundari Raviprasad Pisupati	1.00	1.00
- Mr. Santanu Mukherjee	1.00	1.00
Professional fee payable to KMP		
- Dr. Dinesh Kumar Chirla	2.80	3.35
Leave travel allowance payable to KMP		
- Dr. Dinesh Kumar Chirla	-	0.61
Non-current investments in equity shares (gross)		
- 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	324.11
- Rainbow Fertility Private Limited	45.00	45.00
- Rainbow C R O Private Limited	0.10	0.10
Inter corporate deposits		
- Rosewalk Healthcare Private Limited	2.00	-
Interest accrued on inter corporate deposits		
- Rosewalk Healthcare Private Limited	0.07	-
Rent Payable		
- Unimed Healthcare Private Limited	4.37	3.75
Rental Security Deposit paid		
- Unimed Healthcare Private Limited	30.00	30.00
Rental Security Deposit received		
- Rosewalk Healthcare Private Limited	0.07	-

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

e) 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.)



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

Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts are in rupees millions, except share data and unless otherwise stated)

2.32 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 2022		4,848.74
Additions		296.26
Disposals		(2.13)
Modification		146.92
Cost as at 31 March 2023 (A)		5,289.79
Cost as at 1 April 2023		5,289.79
Additions		2,049.20
Disposals		(4.86)
Modification		40.80
Cost as at 31 March 2024 (B)		7,374.93
Accumulated amortisation		
Accumulated depreciation as at 1 April 2022		729.40
Depreciation charge for the year		310.81
Modification		18.41
Accumulated depreciation as at 31 March 2023 (C)		1,058.62
Accumulated depreciation as at 1 April 2023		1,058.62
Depreciation charge for the year		381.79
Depreciation capitalised (refer note 2.38)		19.08
Accumulated depreciation as at 31 March 2024 (D)		1,459.49
Net carrying amounts		
As at 31 March 2023 (A-C)		4,231.17
As at 31 March 2024 (B-D)		5,915.44

- 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 2024	31 March 2023
Short-term lease	15.62	13.22
Total	15.62	13.22

- C Following is the movement in lease liabilities :

Particulars	For the year ended	
	31 March 2024	31 March 2023
Opening Balance	5,382.90	5,060.38
Additions	2,016.73	264.81
Finance cost charge for the year	560.66	507.36
Finance cost capitalised (refer note 2.38)	31.46	-
Disposals	(5.31)	(0.33)
Payment of lease liabilities	(680.24)	(551.46)
Modification	40.80	102.14
Lease liability at the end of the year	7,347.00	5,382.90
Non-current lease liabilities	7,193.80	5,291.63
Current lease liabilities	153.20	91.27

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

Particulars	For the year ended	
	31 March 2024	31 March 2023
Payment of lease liabilities	680.24	551.46
Short-term lease expense	15.62	13.22
Total cash outflow on leases	695.86	564.68

- 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 2024	31 March 2023
Less than 1 year	816.47	585.27
1 to 5 years	3,498.33	2,551.71
Over 5 years	10,315.78	7,284.07

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.



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2.33 Segment reporting

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

Ind AS 108 "Operating Segment" 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. 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 other than those already provided in the standalone financial statements.

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

There are no individual customer contributing more than 10% of Company's total revenue.

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
As an auditor		
- Statutory audit fees	3.10	5.00
- Limited review	2.40	1.50
- Reimbursement of expenses	0.83	0.35
Total	6.33	6.85

2.35 Earnings per equity share :

The earnings per share has been computed as under:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit attributable to equity shareholders (A)	2,148.91	2,058.93
Shares:		
Number of equity shares at the beginning of the year	101,501,687	94,053,928
Add: Fresh issue	-	5,167,679
Add: Preference shares converted	-	2,280,080
Total number of equity shares outstanding at the end of the year	101,501,687	101,501,687
Weighted average number of equity shares outstanding during the year – Basic	101,501,687	100,949,524
Number of equity shares at the end of year (B)	101,501,687	100,949,524
Effect of potential equity shares on employee stock options outstanding (C)	254,641	-
Weighted average number of equity shares outstanding during the year – Diluted (D = B+C)	101,756,328	100,949,524
Earnings per share		
Earnings per share of par value Rs. 10 - Basic (Rs.)	21.17	20.40
Earnings per share of par value Rs. 10 - Diluted (Rs.)	21.17	20.40



2.36 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 2024 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 2024	As at 31 March 2023
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
- Principal amount due to Micro and Small Enterprises	86.09	78.08
- Interest due on above	-	-
(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 2.39

2.37 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 2024	For the year ended 31 March 2023
Details of Corporate social responsibility expenditure		
(i) Gross amount required to be spent by the Company during the year	35.23	24.33
(ii) Amount approved by the Board to be spent during the year	35.23	24.33
(iii) Amount spent during the year (in cash)		
- construction/ acquisition of any asset	-	-
- on purpose other than above	13.43	24.33
(iv) Amount spent during the year (yet to be paid in cash)		
- construction/ acquisition of any asset	-	-
- on purpose other than above	21.80	-
(v) (Shortfall) / Excess at the end of the year	-	-
(vi) Total of previous years shortfall	-	-
(vii) Details of related party transactions	NA	NA
(viii) 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
(ix) Reason for shortfall	NA	NA
For the year ending 31 March 2024 and 31 March 2023 :		
(x) Nature of CSR activities:		
a) Promotion of education and sports	2.36	2.56
b) Rural development activities and training for women	10.00	7.50
c) Promotion of medical facilities and	1.00	12.27
d) Ensuring environmental sustainability	-	2.00
e) Administrative overheads	0.07	-
d) Transferred to unspent CSR account (on-going project)*	21.80	-

* Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021 ("the Rules"), the Company has transferred the Unspent amount of Rs 21.80 million to a separate bank account subsequent to the balance sheet date under section 135 read with rules of Companies (CSR Policy) Rules, 2014.

2.38 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 2024	For the year ended 31 March 2023
Employee benefit expenses (A)	152.17	57.38
Finance cost (B)	31.46	-
Depreciation and amortisation (C)	19.08	31.53
Professional fees to doctors (D)	11.75	-
Other expenses:		
Professional and consultancy	74.30	25.43
Travelling and conveyance	2.77	2.58
Power and fuel	4.70	-
Rates and taxes	38.20	-
Other expenses	23.53	2.25
Total (E)	143.50	30.26
Total (A+B+C+D+E)	357.96	119.17



2.39 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 2024	As at 31 March 2023
Insurance companies and Third-Party Administrator (TPA)	312.73	357.82
Central and state government (including public sector undertakings)	21.66	96.89
Corporates, individual customers and others	520.79	238.58
Total	855.18	693.29

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

As at 31 March 2024

Age	Gross carrying amount	Weighted average loss rate	Allowance for expected credit loss
Less than 6 months	739.86	10.24%	75.73
6 months - 1 year	21.60	31.20%	6.74
1-2 years	64.20	45.81%	29.41
2-3 years	23.28	92.23%	21.47
More than 3 years	6.24	100.00%	6.24
	855.18		139.59

As at 31 March 2023

Age	Gross carrying amount	Weighted average loss rate	Allowance for expected credit loss
Less than 6 months	496.23	11.16%	55.38
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
	693.29		183.88

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

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	183.88	141.66
(Reversal)/provision for expected credit loss	(28.42)	42.22
Bad debts written-off out of opening	(15.87)	-
Net remeasurement of provision	139.59	183.88

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 2024 and 31 March 2023 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.

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 2024	As at 31 March 2023
Trade receivables	715.59	509.41
Cash and cash equivalents	74.85	117.91
Bank balances other than cash and cash equivalents	0.07	253.56
Investments	3,461.61	1,046.78
Other financial assets	2,045.25	5,129.69
Loans	332.51	437.53
Total	6,629.88	7,494.88



2.39 Financial risk management (continued)

Liquidity risk (continued)

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

As at 31 March 2024

Particulars	Carrying Amount	Within 1 year	1-5 Years	More than five years	Total amount
Trade payables	763.39	763.39	-	-	763.39
Other financial liabilities	324.49	324.49	-	-	324.49
Lease liabilities (undiscounted)	7,347.00	816.47	3,498.33	10,315.78	14,630.59
Total	8,434.88	1,904.35	3,498.33	10,315.78	15,718.47

As at 31 March 2023

Particulars	Carrying Amount	Within 1 year	1-5 Years	More than five years	Total amount
Trade payables	749.69	749.69	-	-	749.69
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	6,461.53	1,663.90	2,551.71	7,284.07	11,499.68

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 2024	31 March 2023
Fixed rate instruments (excluding interest accrued)		
Financial assets	1,929.03	5,354.32
Financial liabilities	7,347.00	5,382.90

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 2024	
		Amount in foreign currency (in whole no's)	Amount in INR
		Trade payables	USD

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

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 before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2024				
USD (5% movement)	0.45	(0.45)	0.34	(0.34)
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)

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.



Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')
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2.40 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 2024	As at 31 March 2023
Total debt	-	-
Total equity	12,852.51	10,883.88
Gearing ratio	-	-

2.41 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 2024

Particulars	Note	Carrying values							
		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	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	2,996.16	-	-	-	2,996.16	2,996.16	-	-
		2,996.16	0.03	-	-	2,996.19	2,996.16	-	0.03
Financial assets at amortised cost									
Trade receivables	2.8	-	-	715.59	-	715.59	-	-	-
Cash and cash equivalents	2.9 (a)	-	-	74.85	-	74.85	-	-	-
Bank balances other than cash and cash equivalents	2.9 (b)	-	-	0.07	-	0.07	-	-	-
Loans	2.10	-	-	332.51	-	332.51	-	-	-
Other financial assets	2.3 (a) & 2.3 (b)	-	-	2,045.25	-	2,045.25	-	-	-
		-	-	3,168.27	-	3,168.27	-	-	-
Financial liabilities at amortised cost									
Trade payables	2.15	-	-	-	763.39	763.39	-	-	-
Other financial liabilities	2.16	-	-	-	324.49	324.49	-	-	-
		-	-	-	1,087.88	1,087.88	-	-	-

* 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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2.41 Financial instruments (continued)

As at 31 March 2023

Particulars	Note	Measured at fair value through profit or loss account or account	Fair value through other comprehensive income	Carrying values			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
				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	-	-	0.03
Investments in mutual funds	2.7	581.33	-	-	-	581.33	581.33	-	-
		581.33	0.03	-	-	581.36	581.33	-	0.03
Financial assets at amortised cost									
Trade receivables	2.8	-	-	509.41	-	509.41	-	-	-
Cash and cash equivalents	2.9 (a)	-	-	117.91	-	117.91	-	-	-
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	-	-	-
		-	-	6,448.10	-	6,448.10	-	-	-
Financial liabilities at amortised cost									
Trade payables	2.15	-	-	-	749.69	749.69	-	-	-
Other financial liabilities	2.16	-	-	-	328.94	328.94	-	-	-
		-	-	-	1,078.63	1,078.63	-	-	-

Note: The Company has not disclosed fair values of financial assets and liabilities such as investments, trade receivables, loans, cash and cash equivalents, 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 entry 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 2024 and 31 March 2023.

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



Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')**Notes to the Standalone Financial Statements for the year ended 31 March 2024**

(All amounts are in rupees millions, except share data and unless otherwise stated)

2.42 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 2024	For the year ended 31 March 2023
Income from medical and healthcare services		
Revenue from hospital services	10,710.49	9,655.51
Revenue from pharmacy sales	1,299.05	1,138.56
Revenue from medical service fee	253.05	225.41
Total revenue from contracts with customers	12,262.59	11,019.48

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 2024 and 31 March 2023.

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Contracted price	12,330.29	11,103.01
Reduction towards variable consideration components*		
-Discounts	(55.26)	(65.52)
-Disallowances	(12.44)	(18.01)
Revenue recognised	12,262.59	11,019.48

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

Contract balances

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables**	770.56	622.22
Unbilled revenue	84.62	71.07
Contract liabilities (advance from patients)#	33.72	28.59

Movement in contract liabilities during the year:

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	28.59	83.26
Less: Revenue recognised from above	(28.59)	(83.26)
Add: Addition during the year	33.72	28.59
Balance at the end of the year	33.72	28.59

**Trade receivables are non-interest bearing and are generally on terms of 30-45 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.



Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')
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2.43 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.

Based on a preliminary assessment, the Company believes the impact of the change will not be significant.

2.44 Ratios as per the Schedule III requirements

a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	31 March 2024	31 March 2023
Current Assets	5,942.97	4,663.10
Current Liabilities	1,385.11	1,290.64
Ratio	4.29	3.61
% Change from previous year	18.84%	

Reason for change more than 25%: Not applicable

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 2024	31 March 2023
Total debt	-	-
Shareholder's Equity	12,852.51	10,883.88
Ratio	-	-
% Change from previous year		

Reason for change more than 25%: Not applicable

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

Particulars	31 March 2024	31 March 2023
Net Profit after taxes	2,148.91	2,058.93
Add: Non cash operating expenses and finance cost	1,612.17	1,357.97
- Depreciation and amortisation	1,051.51	837.08
- Finance cost	560.66	520.89
Earnings available for debt service	3,761.08	3,416.90
Interest cost on borrowings	-	7.29
Payment of lease liabilities	680.24	551.46
Principal repayments of borrowings	-	398.11
Total Interest and principal repayments	680.24	956.86
Ratio	5.53	3.57
% Change from previous year	54.90%	

Reason for change more than 25%:

This ratio has increased from 3.57 in March 2023 to 5.53 in March 2024 mainly due to nil borrowings and increase in earnings available for debt services on account of increase in net profit after tax during the year.

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

Particulars	31 March 2024	31 March 2023
Net profit after taxes	2,148.91	2,058.93
Earning available to equity shareholders	2,148.91	2,058.93
Average Shareholder's Equity	11,868.20	8,623.41
Ratio	18.11%	23.88%
% Change from previous year	(24.16%)	

Reason for change more than 25%: Not applicable

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

Particulars	31 March 2024	31 March 2023
Cost of materials consumed	1,571.27	1,501.22
Average Inventory	201.30	157.78
Inventory Turnover Ratio	7.81	9.51
% Change from previous year	-17.88%	

Reason for change more than 25%: Not Applicable

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

Particulars	31 March 2024	31 March 2023
Revenue from operations	12,365.62	11,139.90
Average Trade Receivables	612.50	495.55
Ratio	20.19	22.48
% Change from previous year	-10.19%	

Reason for change more than 25%: Not Applicable

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

Particulars	31 March 2024	31 March 2023
Purchases	1,620.39	1,539.15
Average Trade Payables	756.54	697.17
Ratio	2.14	2.21
% Change from previous year	(3.17%)	

Reason for change more than 25%: Not Applicable

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

Particulars	31 March 2024	31 March 2023
Revenue from operations	12,365.62	11,139.90
Working Capital	4,557.86	3,372.46
Ratio	2.71	3.30
% Change from previous year	(17.88%)	

Reason for change more than 25%: Not Applicable



2.44 Ratios as per the Schedule III requirements (continued)

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

Particulars	31 March 2024	31 March 2023
Net profit after taxes	2,148.91	2,058.93
Revenue from operations	12,365.62	11,139.90
Ratio	17.38%	18.48%
% Change from previous year	(5.95%)	

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 2024	31 March 2023
Profit before taxes (A)	2,892.17	2,728.34
Finance costs (B)	560.66	520.89
Other income (C)	369.48	312.29
EBIT (D) = (A)+(B)-(C)	3,083.35	2,936.94
Capital Employed (Pre Cash) (J)=(E)-(F)-(G)-(H)-(I)	15,255.33	12,446.40
Total Assets (E)	21,504.36	17,534.17
Current Liabilities (F)	1,385.11	1,290.64
Current Investments (G)	2,996.16	581.33
Cash and Cash equivalents (H)	74.85	117.91
Current portion of fixed deposits and accrued interest with banks (I)	1,792.91	3,097.89
Ratio (D)/(J)	20.21%	23.60%
% Change from previous year	-14.36%	

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 2024	31 March 2023
Dividend income from subsidiary	14.19	-
Gain on redemption of mutual funds, net	73.55	3.52
Net gain on financial assets measured at fair value through profit or loss	58.85	5.43
Interest income on bank deposits	151.75	240.46
Income generated from invested funds (A)	298.34	249.41
Average Invested Funds (B)	5,636.64	3,881.48
Ratio (A)/(B)	5.29%	6.43%
% Change from previous year	(17.63%)	

Reason for change more than 25%: Not Applicable

2.45 Share based payment arrangement

Pursuant to the resolutions passed by the Board of Directors 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, a unit holder will be entitled to be allotted one Equity Share per employee stock unit.

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on 14 May 2023 and 07 August 2023, granted 275,000 and 37,414 Stock Units respectively under the Stock Unit Plan 2023 to its eligible employees which shall be exercisable into 312,414 equity shares having face value of Rs.10 each fully paid-up. The exercise price per stock unit shall be the face value of equity shares of the Company i.e., Rs.10 each. The vested Stock Units shall be exercisable within a period of three months from the date of each vesting. The Stock Units shall vest after the minimum vesting period of one year and not later than the maximum period of five years from the date of grant. The plan is in terms of SEBI SBEB SE Regulations.

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on 19 May 2024, vested 44,000 stock units under Stock Unit Plan 2023 at an exercise price of Rs 10 per share to the Chief Operating Officer of the Company. Each stock unit represents one equity share of Rs 10 each, fully paid-up.

Movement in the stock units under the Plan

	No. of stock units	
	As at 31 March 2024	As at 31 March 2023
Stock units outstanding at the beginning of the year	-	-
Stock units granted during the year	312,414	-
Stock units exercised during the year	-	-
Stock units exercisable at the end of the year	312,414	-

Fair value measurement

The fair value at grant date is determined using the Black Scholes valuation option-pricing model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The key inputs used in Black-Scholes model for calculating fair value of options under the plan as on the date of grant are as follows:

	Chief Operating Officer	Chief Financial Officer
No. of stock units granted	275,000	37,414
Date of grant	14 May 2023	07 August 2023
Vesting period (years)	5 years	5 years
Expected life of the stock units granted (vesting & exercise period in years)	5.14 years	4.65 years
Stock price on the date of valuation (in Rs)	849.65	1,080.20
Fair value at grant date (in Rs)	835.18	1,064.17
Expected volatility	40.25%	35.00%
Dividend yield	0.24%	0.27%
Risk free rate	6.84%	7.24%

For details on the employee benefits expense, refer note 2.23

2.46 Subsequent events

There are no significant adjusting events that occurred subsequent to the balance sheet date.



2.47 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.
- xii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- xiii. There were no amounts which were required to be transferred to Investor Education Protection Fund by the Company.

2.48 During the financial year 2022-23, 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 with securities premium as per Companies Act, 2013.

Details of utilisation of IPO proceeds:

Objects of the issue	Amount as proposed in offer document (A)	Amount to be spent as per offer document up to 31 March 2024 * (B)	Amount to be spent as per offer document for the year 2024-25 (C)	Utilisation up to 31 March 2024 (D)	Unspent balance for the year 2023-24 (E) = (B) - (D)	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	-	400.00	-	NA
Capital expenditure towards setting up of new hospitals and purchase of medical equipment for such new hospitals	1,700.00	1,500.00	200.00	1,325.07	174.93	Delay in execution of few projects.
General corporate purposes *	561.40	576.10	-	576.10	-	NA
Total	2,661.40	2,476.10	200.00	2,301.17	174.93	

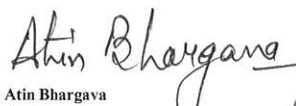
* During the year, the Company has received an amount of Rs. 14.70 million towards the Company's share of unspent share issue expenses. The same has been adjusted with securities premium as per Companies Act, 2013. The Board of Directors of the Company in their meeting held on 30 October 2023 has approved to spend the amount of Rs. 14.70 million towards the General corporate purposes, refer column (B) in the table above. After this change amount to be utilised for General corporate purposes is Rs. 576.10 million.

Net IPO proceeds which were unutilised as at 31 March 2024 amounting to Rs 374.93 million (column C and E) were temporarily invested in fixed deposits and held in current account with banks.

2.49 The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature is not enabled for certain changes made, if any, using privilege/administrative access rights to the SAP application. Further no instance of audit trail feature being tampered with was noted in respect of the accounting software where audit trail has been enabled.

As per our report of even date attached.

for S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004


Atin Bhargava
Partner
Membership Number.: 504777



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


Vikas Maheshwari
Chief Financial Officer


Ashish Kapil
Company Secretary
Membership Number: A31782

Place: Hyderabad
Date: 19 May 2024

Place: Hyderabad
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